7844. By Mr. STRONG of Pennsylvania: Petition of Charles B. Gillespie Post, No. 110, the American Legion, Freeport, Pa., in favor of the immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

SENATE

TUESDAY, DECEMBER 9, 1930

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal Father, who requirest of Thy children that they do justly, love mercy, and walk humbly before Thee, hearken to our prayer in behalf of all mankind. Quicken the life of dreaming, hope-flushed youth with the indwelling of Thy purpose and lead all weary, disillusioned men from the tragic scenes of unequal strife into the green pastures of divine care, where love rises on the dewy hills of promise.

Through Thy word made flesh Thou hast touched poverty, clothing it with power; do Thou also touch all work and industry, making them sacraments of human fellowship, that the dignity and majesty of life may be found in the divine motives that sweep the souls of men upward to their sublime destiny.

Enable us, Thy servants, to speak the word which cheers without deluding, comforts without weakening, and kindles hope without deceiving; that word which is the veritable outflowing of broad streams of strength and sympathy, whose springs are hidden far beyond their apparent source in the eternal hills of God. All of which we ask in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SENATOR FROM IDAHO

The VICE PRESIDENT laid before the Senate the credentials of WILLIAM E. BORAH, chosen a Senator from the State of Idaho for the term commencing March 4, 1931, which were read and ordered to be placed on file.

STABILIZATION OF SILVER

Mr. SWANSON. Mr. President, the senior Senator from Nevada [Mr. PITTMAN] had a very interesting and very instructive article in the New York Times of December 7, 1930, with reference to the stabilization of silver. I ask to have the article printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the New York Times, December 7, 1930]

SILVER A BIG FACTOR—STABILIZATION WOULD INFLUENCE WORLD PROSPERITY

BY KEY PITTMAN, Senator from Nevada, member of the Committee on Foreign Relations

What are the causes of the sudden and disastrous financial and commercial depression throughout the world to-day, and what are the remedies that may be invoked to restore normal prosperity? These are difficult questions to answer. They must be answered, and correctly answered, before any substantial or permanent relief can be expected.

There is no doubt that, in the stress of the moment, confounded by many political questions and distracted through the necessity of thought and action to meet temporary relief, these questions have not had the study that is required. Again, there are many contributing causes, some fundamental, while others are only of a temporary nature and affecting only particular localities.

An attempted consideration of anything except fundamental causes affecting the world would be futile in any brief discussion of the subject. The fundamental causes, however, must be determined and a remedy for existing world distress must be found.

Prosperity is dead, commerce is stagnant, products are dazedly and vainly striving for a market, while millions of men and women are seeking to work that they may live and the majority of the people of the world are suffering for want of the very products which can not be purchased.

RADICAL CHANGE IN A YEAR

Only a little over a year ago industry and commerce thrived, idleness was practically unknown, and prosperity prevailed throughout the world. The sudden change could be understood if there had been some great natural catastrophe. If floods or earthquakes or other great natural causes had destroyed great producing and consuming populations and centers of wealth and finance, the present situation would be comprehensible.

The needs of humanity are as great to-day as they were a year and a half ago. The desire to purchase is unabated. And we are told by the highest authority that we are possessed to-day of all the potential wealth that we possessed at the beginning of 1929. A shifting of wealth from the masses of the consumers to the investing capitalists, through the medium of stock-market excitements and the subsequent crash, has undoubtedly had its effect.

Economists and financiers tell us that we are suffering from a reaction from overproduction. A year and a half ago there did not seem to be an overproduction because such production was being consumed.

Isn't the condition better expressed in the assertion that there is an underconsumption? If this be true, then what is the cause of the sudden and stupendous reduction in consumption? Our production in the beginning of 1929, in many commodities, had enlarged far beyond the demand or the power of consumption in the United States. Such surplus production was sold, however, in the markets of the world. The markets of the world have ceased to consume a large portion of our surplus production, and such portion of the surplus production as is marketed is marketed with little profit, if not at a loss.

Take, for instance, our production of cotton, wheat, copper, and automobiles. The lack of foreign demand for these products has not only reduced the power to dispose of the normal surplus production but has so reduced the price of such products that there is little, if any, profit in such surplus production. This condition has cut off a supply of hundreds of millions of dollars that annually flowed into this country.

There are probably several causes that contributed to the reduction of such consumption of our export products, but the main cause is undoubtedly the reduced power of our former consumers to purchase such products. What has affected the power of foreigners to purchase our exports?

THE DROP IN SILVER A FACTOR

President Hoover stated in his able address before the American Bankers' Association at Cleveland on October 2 that "the buying power of India and China, dependent upon the price of silver, has been affected."

Thomas W. Lamont, of J. P. Morgan & Co., recently stated one of the chief causes of world depression to be "the scarcity of gold and the depressed price of silver."

Julius H. Barnes, chairman of President Hoover's National Business Survey Conference, said in an article that "a price of silver which fluctuated from $1.45 some few years ago to 35 cents to-day and yet symbolizes the credit and resources of great people could not but harm the business structure of the world."

Similar declarations have been made recently by statesmen, economists, and financiers throughout the world. These unqualified statements by men of such character, standing, and position lend dignity to the problem and eliminate the suspicion that any such consideration involves an attack on the gold standard.

The use of silver as a money is not inconsistent with the gold standard. In fact, a majority of the people of the world and nineteen-twentieths of the leading governments have substantially no gold, and use silver alone as the measure of wealth, of values, and the instrument of trade and commerce.

These governments can, by legislative act, declare that they shall be on a gold standard and that only gold shall be legal tender money for domestic and foreign debts, but such legislation will not obtain gold for them upon which to base the gold standard. In fact, several governments that have in the last few years adopted the gold standard have substantially no gold and are compelled to use silver as the money with which they must purchase products and pay debts.

GOLD SUPPLY CLOSELY HELD

Where are the 19 out of 20 governments to get the gold upon which to base the gold standard? To-day there is only approximately $8,000,000,000 of money gold in the world. The United States has $4,500,000,000 of this gold, France approximately $2,000,000,000, England $850,000,000, while the remaining $650,000,000 must supply the needs of all of the rest of the world.

Of course, if all governments scramble for their proper share of this little gold supply, then the price of gold must continue to go up. When I say the price of gold must continue to go up I mean that it will take more ounces of silver to buy a dollar's worth of gold. It will take more cotton, more wheat, more copper, more automobiles to buy gold. It is a known law of economics that when money becomes scarcer products become cheaper.

If by any legislation or policy silver can be destroyed as a money, then there will remain only gold, and the demand for it will be proportionately increased. During the last 54 years legislation has been enacted in various countries and policies have been adopted looking to the cessation of the use of silver as money. These laws and policies had reduced the purchasing power of silver by comparison with gold over one-half by 1900.

From that time on until 1925 little new legislation was enacted or policies adopted changing the condition of silver, and therefore

silver sought and remained at what was regarded as a normal value as compared with gold, or exchangeable for gold, around 64 cents an ounce. This remarkably uniform normal price existed by reason of the fact that the annual production of silver was remarkably uniform and the consumption measured up exactly to the production. The annual production has averaged about 250,000,000 ounces throughout the world.

In 1925 the British Government for India adopted the gold standard for India and commenced to melt up and sell as bullion on the world market the silver money of India. Immediately the price of silver commenced to drop until, during 1930, it has averaged around 34 cents an ounce, or about one-half of its normal price.

Of course, the market for silver in the world could not consume this additional supply. The fact that the British Government for India had several hundred million ounces that it might dump on the markets of the world not only reduced the price of silver one-half but, by its threat to further indefinitely reduce such price, destroyed its value for credit. The result was inevitable. Panic exists among more than half of the people of the world, whose buying power is measured solely in silver. It has cut in two the purchasing power of China, Mexico, South America, Asia, and several European countries. It has made credit transactions with such silver-using countries practically impossible. The reaction has not only been felt in the United States but throughout the world.

A QUICK AND SIMPLE REMEDY

The immediate remedy for this cause of world depression is simple. Let the powers of the world, led by the United States, persuade the British Government for India to desist from such destructive policy, and silver will undoubtedly be restored to its normal price of around 64 cents an ounce. Let it be remembered that 64 cents an ounce is not an exchange ratio of 16 to 1, but represents a value of about one thirty-second that of gold, or 32 to 1. It is not even the exchange price for silver coins in the United States or in any other country using silver coins.

In the United States 50 dimes are exchangeable for $5 in gold. When 50 dimes are sold for a $5 gold piece it means that such silver is sold at the rate of $1.38 an ounce. The Government today, when it manufactures 50 dimes and sells such dimes to banks and trade for $5 in gold, receives for such silver $1.38 an ounce. It is not therefore suggested at this time that silver be restored to its parity price, but that it be restored to its normal price of around 64 cents an ounce by persuading the British Government for India to discontinue its abnormal and destructive policy with regard to money silver.

Personally, I am of the opinion that our own Government should not make a profit of $1.04 an ounce on the silver it buys from the products of our mines through the sale to banks and the trade. Nor do I think that any other country should attempt to make such a profit on industry. I am firmly convinced that trade and commerce would be facilitated and economic conditions throughout the world greatly relieved if there could be an agreement between governments as to the price at which silver should be exchanged for gold. This would not injure the gold standard nor deprive it of its character as the base for money.

The stabilization of the price of silver through the agreement of nations as to its exchange value with gold would not be difficult of accomplishment. If governments should agree not to melt up or debase their money silver, then the quantity of silver that would have to be considered in the stabilization plan would be quite small. In other words, only annual mine production would be a factor to be considered.

Silver mines, like gold mines, are quite limited. Even during the period when silver was selling at over a dollar an ounce, and large profits could be made from mining, it was impossible through the efforts of large exploration companies, with every facility for prospecting for and discovering mines, to increase the production over 25 per cent. In fact, nearly two-thirds of the silver mined is recovered as a by-product in the mining of copper, lead, or zinc. When there is a great demand for such metals then we are in a prosperous era and then there is also a great demand for silver. When the demand for such metals in business and commerce decreases then the production of silver automatically falls.

AVERAGE OUTPUT UNIFORM

Consequently the average production of silver throughout the world has always been quite uniform and for the eight years preceding 1930 the world production averaged only 250,000,000 ounces annually. Let us see how and where that silver has been consumed.

During that period the average annual consumption of India and China alone was 165,000,000 ounces. There were used in the arts and sciences in England, the United States, and Canada alone annually 40,000,000 ounces. This leaves only 45,000,000 ounces to be accounted for. Of course, other countries besides England, the United States, and Canada used silver in the arts and sciences and also for subsidiary coins. In fact, in the United States we use an average of 8,000,000 ounces of silver annually for our subsidiary coins, consisting of dimes, quarters, and half dollars.

I may say that from time immemorial India and China have consumed two-thirds of the silver production of the world and they will continue to consume it if the purchasing power of silver is not destroyed. So there is no danger of a dumping of silver on any country by reason of the fixing of a reasonable exchange value of silver for gold.

There is no doubt that all of the countries which use silver as money would enter into an agreement as to the exchange value of silver and, of course, if the three leading gold-standard countries of the world, namely, the United States, the British Empire, and France, would enter into such an agreement there would be no abnormal movement of silver from one country to another on account of such established exchange value.

Statesmen, economists, and financiers, however, agree that an emergency exists that requires emergency treatment. Some foreign statesmen and economists go to the extent of asserting that unless the purchasing power of silver is restored the world is threatened with industrial revolution and the repudiation of debts.

Therefore, I suggest that the first and the immediate step to be taken should be an agreement of governments to cease to melt up and throw on the market of the world their money silver as a bullion commodity. I believe that this could be readily accomplished if the movement were to be led by the United States through a conference of the fiscal agents of interested governments. The consummation of a program for the stabilization of the exchange ratio of silver with gold would undoubtedly require more consideration and might involve study and recommendation by a commission consisting of representatives of the various governments.

The President is now authorized by law to appoint such representatives for such purposes, and therefore no further legislation is required. The only act that will be attempted will be the passage of a resolution by the Senate submitting facts obtained by the subcommittee of the Foreign Relations Committee to the President with such advice as the Senate may deem proper in the premises.

ORDER OF BUSINESS

The VICE PRESIDENT. The presentation of petitions and memorials is in order.

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. Does the Senator desire to be recognized for the purpose of making a speech? If so, it will be necessary to obtain unanimous consent.

Mr. HEFLIN. I desire to address the Senate briefly.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Alabama will proceed.

RELIEF OF DROUGHT-STRICKEN AREAS

Mr. HEFLIN. Mr. President, I observe in the Washington Post this morning that Secretary of Agriculture Hyde criticizes a bill reported out by the Senate Committee on Agriculture and Forestry for the relief of the people in drought-stricken sections of the country. The Secretary is quoted as saying that "loaning money by the Government to people for food is perilously near being a dole." It does not make any difference to me what it may be called. We are confronted with a condition and not a theory. The Secretary of Agriculture in his report for 1930 begins by saying:

> The worst drought ever recorded in this country prevailed during much of the 1930 crop-growing season and greatly reduced farm production.

The Government is now loaning money to private shipbuilders for constructing ships for themselves to be used in the business of transporting people and cargoes upon the high seas. If the Government can loan money to a private individual to build up a private enterprise for the purpose of establishing himself in business and enabling him to make money, certainly the Government, in a time like this, can loan money to patriotic American citizens who are in actual need of food on which to live.

Mr. President, these men and women in Alabama and in the various States of the Union are in the midst of distress, the like of which they have never known before. Not only are they unable to support themselves because of unfortunate conditions over which they had no control but their neighbors who are better off than they are have suffered so acutely from poor prices for farm products that they are not able to lend a helping hand.

If times were prosperous, if we were obtaining fair prices for farm products, the people of the various communities would do as they have done in times of distress in the past. They would lend a helping hand and each community would, as nearly as it could, contribute toward taking care of the situation such as we have to-day. But now, Mr. President, as I said on yesterday, cotton is selling for 10 cents a pound, $30 to $35 a bale below the cost of production, and other farm products are selling at low and unprofitable prices. The farmers are not able to take care of themselves; they

are not able to pay the debts which they owe, even those who do not live in the drought-stricken area.

Mr. President, in my State a pitiful condition is presented. There are 39 counties, I believe, out of the 67 within the area known as drought-stricken counties. There are 28 other counties in Alabama besides those 39 already listed as drought-stricken counties that are suffering greatly because of drought conditions that exist there. There are families in those counties as deeply in distress as are the families in the counties where the whole county is affected by the drought. Relief for them is included in this bill. I hope the Congress will not follow the suggestion of the Secretary of Agriculture and hold down the proposed appropriation to $25,000,000. The report made by our Committee on Agriculture and Forestry provides $60,000,000, which, in my opinion, is not adequate. It ought to be amended and an increased amount provided. Away with this talk of $25,000,000. It will not begin to relieve the distress and suffering of the people in the drought-stricken sections of our country. What sort of a policy are some of these people seeking to lay down when they would supply a man with seed to plant in the ground and with feed for stock and with fertilizer to put in the soil when he has nothing to eat, nothing upon which to live, nothing with which to support his family while he is making a crop? To my mind such a suggestion is utterly ridiculous. Mr. President, when a crash comes in Wall Street in New York City they call upon the banking facilities of the Government at the National Capital and get the funds they need to tide them over the crisis. Shipbuilders of the Nation who want to go into the shipbuilding business can borrow money from the Government, as they are doing to-day, to carry on their business. But patriotic men and women whose sons have been called to bear arms in defense of their Government in the time of its peril are not allowed to have a loan of money with which to buy food upon which to live through a period of unprecedented distress and suffering. You say you will supply them with seed to be planted for the making of a crop next year. But they can not live to make the crop without they have food for themselves and families. The situation is such that the Government is the only power in this Nation that will grant them such aid. The farmer in my State who has two horses, a 2-horse farmer as we call him, has already mortgaged his horses, has mortgaged his wagon perhaps, has mortgaged his household effects, and he can not even pay the debts incurred, for this year his crop has been a total failure. How can he live even if the man who holds the mortgage on his stock and other property is willing for him to keep that property? Still he has to have something upon which to live while he uses that property to make another crop.

I want Senators to look the situation squarely in the face. We must not go to splitting hairs upon this proposition. If we are justified in loaning money to farmers in the drought-stricken areas to buy seed, to buy feed for their stock, to buy fertilizer with which to make a crop, then we are justified ten thousand times in loaning them money to buy food upon which to live while they make the crop.

Mr. President, I simply wanted to bring this matter to the attention of the Senate this morning in answer to the position taken by the Secretary of Agriculture. What did we do up in Salem, Mass.? I was in Congress at the time a great fire swept that city. The Government went to the rescue, supplying the money needed by those people in that time of great distress. When the earthquake struck San Francisco the Government again went to the rescue. When the flood visited the Mississippi Valley lives were lost and property damaged, and again the Government went to the rescue, and went nobly to the rescue. Now because times are hard the people are not responsible. A spirit of economy has seized certain gentlemen in high places. They say, "You must not dare to loan money to a starving citizen because somebody will call it a dole such as has been given out in England in the times following the great World War."

I repeat, I do not care what we call it, whether it be called a dole or not. When this Government finds its citizens, those who must bear arms in its defense to save its life in time of peril, in such distress as at present, they are entitled to have some of its substance to save them from starvation, be it by drought or from the disturbance of economic laws in the Nation.

Mr. President, I want to serve notice now that if there is any attempt to take care of certain big interests in the Nation to the hurt and injury of the poor people of the United States that we are now seeking to aid there are going to be some interesting things brought to the attention of the Senate and the country during the remainder of this session.

I am anxious to have this bill pass the Senate to-day so that the House can pass it and the President can sign it before Christmas. It is an important measure, a very urgent matter, and I beg all Senators to aid us in passing the bill to-day.

Mr. BLEASE. Mr. President, in addition to what the Senator from Alabama [Mr. HEFLIN] has said, I wish to call the attention of the Senate to the fact that in a great many instances the stock which he mentioned as being mortgaged has been already taken away from the farmers, and in some instances the Government itself has taken and sold their land and put them out in the highways with their wives and children, adding to the unemployment of the country, when if they had been permitted an extension of time on their farm-loan debt they could have had their farms and had employment and been at work to-day. As a result of that condition, those people have nothing upon which they can give security. There are thousands of farmers in the United States to-day who have not anything but their wives and children. Many of them have very little clothing to wear; a great many of them actually have no food. If Congress is going to pass a law requiring those people to give security in order to obtain relief, it had just as well save the time it would take to pass the law, for they have not a thing in the world to put up as security.

I notice that the measure which has been laid upon our desks this morning provides that the Secretary of the Treasury, may, in his discretion, loan money on the crop which is to be grown. That is a wise provision, and I think it will really afford relief to those people who are in dire distress upon the farms to-day.

I should like the Senator from Oregon, when he makes his remarks upon the joint resolution, to please tell the Senate why South Carolina was left out of its provisions.

Mr. McNARY. The joint resolution does not specify any State or section.

Mr. BLEASE. But the report does, Mr. President.

Mr. McNARY. The report is not a part of the joint resolution; it represents the imagination of the chairman.

Mr. BLEASE. I understand that, Mr. President; but, while the joint resolution is intended to aid farmers in drought and storm stricken areas, the report clearly indicates that the relief is to be extended to certain States, and South Carolina is not included.

Mr. McNARY. Mr. President, I suspect that the joint resolution when enacted by Congress will have more efficacy than the remarks of the chairman of the committee. In preparing the brief statement in the report I simply relied upon the opinion expressed by a member of the Department of Agriculture as to the particular States where there was the greatest need of relief. I am sure that if the Senator from South Carolina has any distress in his State the department will come to his aid and that he may count upon the assistance of the chairman and of the Senate Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

Mr. FRAZIER presented petitions of sundry citizens of Fargo, Grand Forks, and Minot, all in the State of North Dakota, praying for the passage of legislation exempting dogs from vivisection in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a resolution adopted by Leslie Kreps Post, No. 62, the American Legion, of Salina, Kans., protesting against the passage of legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also presented resolutions adopted by the local branches of the Woman's Christian Temperance Union at Phillipsburg, Glade, Lone Star, Richland, Overbrook, Wichita, McPherson, and Nashville, all in the State of Kansas, favoring the passage of legislation providing for Federal supervision of motion-picture films to be licensed for interstate and foreign commerce, which were referred to the Committee on Interstate Commerce.

Mr. WALCOTT presented a resolution of the Woman's Christian Temperance Union of South Manchester, Conn., favoring the passage of legislation for the Federal supervision of motion-picture films to be licensed for interstate and foreign commerce, which was referred to the Committee on Interstate Commerce.

He also presented papers in the nature of petitions from the Hartford Council of Churches, of Hartford; the Mount Carmel Book Club, of Mount Carmel; and Goshen Grange, No. 143, Patrons of Husbandry, of Goshen, all in the State of Connecticut, favoring the adhesion of the United States to the protocol for the World Court, which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of New Haven, Hartford, West Hartford, Danbury, Greenwich, Bridgeport, Winsted, Sound Beach, Riverside, Chester, Plainville, Milldale, Saugatuck, Westport, Wilton, Brookfield, New Britain, and Mansfield, all in the State of Connecticut, praying for the passage of legislation exempting dogs from vivisection in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented resolutions adopted by Wallingford Aerie, of Wallingford; Naugatuck Aerie, of Naugatuck; New Haven Aerie, of New Haven; Bridgeport Aerie, of Bridgeport; Charter Oak Aerie, of Hartford; and Norwalk Aerie, of Norwalk, all of the Fraternal Order of Eagles, in the State of Connecticut, praying for the passage of legislation creating a Federal industrial commission, which were referred to the Committee on Education and Labor.

EUROPEAN REPARATIONS AND INDEBTEDNESS

Mr. COPELAND. Mr. President, I hold in my hand what is, in effect, a petition to the western world. It is an article prepared by Samuel Kramer and printed in the current issue of the American Monthly. The article is entitled "Lift the Heavy Hand." It deals with what the author believes is a burden of oppression on European nations, particularly the Central Nations, as regards reparations. Mr. Kramer is a graduate of Yale and holds degrees also from Columbia University.

This article, I think, Mr. President, should be read by every Member of the Senate. It points out the burdens resting upon European governments, not alone the Central Empires but also our late allies, in the payment of the reparations. It points out that Germany is now called upon to pay $480,000,000 per year.

Last year when I was in Germany I was much distressed over what seemed to me to be the makings of Bolshevism in that country. When there is placed, as there has been, upon the railroads, for instance, of Germany a tax of $160,000,000 a year—for 670,000,000 gold marks are the equivalent to that sum of money in our currency—when that amount of burden is placed upon the railroads, in addition to their normal taxes, it is not difficult to understand how impossible it is for those railroads to maintain their rolling stock, their roadbeds, and to establish rates which will make possibe the movement of goods. If the sum of $160,000,000 were placed upon American railroads, there would be a protest, in my judgment, which could be heard from Maine to California.

In any event, this is an article which deserves our thoughtful consideration. No matter what may be our ultimate conclusion regarding the question at issue, certainly every American is interested in the maintenance of orderly government in all the countries of Europe. I can think of no greater disaster than to have a breakdown in Germany. It certainly would be followed by a breakdown in countries farther west, and we might even have that distress come to us.

I therefore ask unanimous consent that this article may be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. FLETCHER. Mr. President, may I ask the Senator from New York in what publication does this article appear?

Mr. COPELAND. It is printed in the current number of the American Monthly.

Mr. REED. Mr. President, will the Senator from New York yield for a question?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Pennsylvania?

Mr. COPELAND. I yield.

Mr. REED. Is this the German monthly that has been conducting agitation for the cancellation of international debts and the cancellation of German reparations?

Mr. COPELAND. I can not answer the implication of the question, may I say to my friend from Pennsylvania; but I have read the article and am much impressed by it. Whether it is a part of German propaganda or not, I am not particularly interested, because I think we should bravely face the facts as they are, and I am sure my friend from Pennsylvania takes the same view.

Mr. REED. Mr. President, I have no objection to the article being printed in the RECORD, as requested, but I ask permission to speak for a moment or two on the same subject.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Pennsylvania will proceed.

Mr. REED. When we remember, Mr. Presdent, that the German nation has completely divested itself of any interest charges on the enormous debt which it created during the war and on the considerable debt which it had before the war; that by permitting its currency to become valueless it has effectually despoiled its creditors and stripped itself of debt; that it has no interest charges, as have those countries which have honored their obligations; when we remember that the German reparations amount to approximately $480,000,000 a year, while our interest charges alone in America now amount to over $600,000,000 a year and at one time amounted to over a billion dollars a year; when we remember that the British interest charges approximate $2,000,000,000 a year and that Germany, as against that, is complaining of payments of $480,000,000 a year, while her victorious adversary, Great Britain, alone goes on with interest payments which are a staggering burden to her of more than four times the German reparations; when we remember the amount of interest that is being paid by France and by Italy on their obligations, it seems to me that we are putting things in a false proportion if we sympathize too much with the plight of Germany in having to pay this comparatively small amount as the only penalty for that war which she brought upon civilization and for that calamity for which she was responsible and which almost wiped civilization from the face of the globe.

Mr. FLETCHER. Mr. President, may I ask the Senator from Pennsylvania a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Florida?

Mr. REED. I yield.

Mr. FLETCHER. If Germany is relieved of the payment of reparations it means, instead of taxing the German people, as they now complain they are being taxed, we will tax the people of the United States to raise this money?

Mr. REED. I am glad the Senator asked that question. It means, in the first place, that if reparations are forgiven, taxes upon the European allies will be increased. We get so slight an amount for the costs of our army of occupation, which is the only money that we obtained from the peace settlement, that it means practically nothing to us directly; but it means the imposition of that $480,000,000 annually upon the taxpayers of the victorious European allies.

Mr. President, if that were done, the next inevitable agitation would be for a further cancellation of the debts which those allies owe to us, and, in the last analysis, we would find the American taxpayer bearing the burden that belongs upon the shoulders of the German taxpayers.

This agitation in which we sometimes, I am sorry to say, find our own people sharing, and which seems to be a favorite text for sermons in Wall Street—that we must cancel all of these international obligations—is nothing more nor less than an indirect way of saying that the American people, who least of all the nations on earth were to blame for the war, must bear all its money costs. Mr. President, so long as there is an ounce of strength in me I propose to fight it. We have been overgenerous in our treatment of France, to take no other illustration. We made a settlement with France which amounted to a cancellation of about two-thirds of her obligations. If we consider the present value of the settlement and the rates of interest which she pays under it, practically we canceled two-thirds of her obligations, on the ground that her capacity to pay was no larger than that. Then, after we had done that, and after she had secured a similar burst of generosity from Great Britain in marking down the French debt to Great Britain, France looms up all of a sudden as the most prosperous nation on the face of the globe, with an enormous gold reserve, larger per capita than that of any other country, and with their people employed almost to the last man. She reported unemployment as small as less than 2,000 individuals as recently as one time during the last summer. I do not know what the latest figures are; but where every other nation is suffering from the prostration which is really due to the war and the efforts of the war, France alone seems to be prospering.

We have canceled enough debts, Mr. President, and I hope that the question of canceling the international debts and the question of forgiving the German reparations will not again become a live issue in the American Congress.

Mr. BORAH. Mr. President, I quite agree with the Senator from Pennsylvania that we have canceled too much of the international debts due us. Some of us thought that when the cancellation was going on. We settled with Italy for about 28 cents on the dollar; we settled with France for about 48 to 50 cents on the dollar. France was known at that time to be very prosperous, and has been prosperous practically ever since the war closed. I quite agree, as I have said, with the Senator in that view of it, but I do not agree with him that Germany is not paying in excess of what she should pay. We should take into consideration the fact that Germany was stripped practically at the close of the war of all means by which she could pay. She was stripped of her merchant marine and of her colonies, and that and, to a large extent, the transfer of property in kind placed Germany in quite a different position from that in which the other nations found themselves.

I also disagree with the Senator that Germany was solely responsible for the war. I do not agree with that proposition at all. I think that France and Great Britain and Russia and other nations which engaged in such a system as prevailed in Europe from the Moroccan affair down to 1914 must share the responsibility for the initiation of the Great War.

Mr. COPELAND. Mr. President, in view of what the Senator from Pennsylvania has said, I desire to add a word.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. COPELAND. The question of reparations is a two-sided question, of course; and somtime it will be serinously discussed by this body, in my judgment.

Even though I were to share the feelings of the Senator from Pennsylvania in relation to what should be the attitude of our country toward Germany as regards the war, we should not dodge the effects of the reparation payments. Germany has borrowed practically all of the money which she has paid in reparations. Out of five billions borrowed by Germany since the war, two and one-half billions have been paid toward the reparations. This money has not come out of the Germans. It has come from different parts of the world, from our country, from various citizens who have seen fit to advance the money. France receives 51 per cent of the reparations, either in money or in kind. She saturates her own market with goods made in Germany, shutting us out in consequence. She becomes a competitor with us in South America and elsewhere in the world.

It may well be that in our insistence upon the payment of the reparations we are choking ourselves to death. It may well be that the 10 per cent of surplus which we ordinarily send abroad can not be sent now by reason of conditions arising out of the payment of the reparations.

I think we should frankly face these facts. We should put aside our national prejudices. We should deal with this matter in such a way as will ultimately do the most good to ourselves as well as to the world. I think it is wise for us to give consideration to the matters presented in the article which I have sent forward.

The VICE PRESIDENT. Without objection, the article referred to by the Senator from New York will be printed in the RECORD.

The article is as follows:

[From the American Monthly, December, 1930]

LIFT THE HEAVY HAND

By Samuel Kramer

(As a lawyer with an international clientele, the author of this article has made a specialty of studying international affairs for the last 10 years. He is an expert in all the legal ramifications arising from the treaty of Versailles and especially well informed about the German phase of the reparation problem, having spent considerable time in Germany during the last decade. He is an A. B. of Yale and an A. M., L. L. B. of Columbia University.)

From 1914 to 1918 the better part of the producing world was engaged in devastating destruction.

From 1918 to date, what was left of that better part was engaged, on the one hand, in a concerted effort to make Germany pay for that past destruction and, on the other hand, the former allied powers were engaged in individual efforts to benefit from the swag which had already been divided, even though (or perhaps one may say even in the hope that) such benefits would be obtained at the expense of one against the other.

In short, the efforts of the western part of the world have, since physical destruction actually ceased, been devoted, as regards the former allies, to selfish and hostile efforts to benefit from the plunders of war, and, as regards the alleged victors generally, to a concentrated effort to make Germany pay for the past destruction caused by the war. If one says that the Dawes plan and the experts (Young) plan were constructive measures, the fact remains that the objective of both plans was to devise ways and means whereby Germany might pay. The most that can be said for these plans is that they were constructive steps in the scheme of oppression conceived at Versailles.

Analyzing results, the conclusion should be forced upon us that the efforts to make Germany alone pay for the destruction done by us all is responsible for the present world upset morally, politically, and economically.

The heavy hand laid on central Europe by the Versailles document and the spirit that provoked it has not only accomplished the avowed purpose of keeping Germany in subjection but it has kept the rest of the world from recuperating from its debauch of devastation.

There are no victors but only vanquished, and it is time to consider a change of policy.

An analysis should be made not only of the concerted efforts of the former allied powers since 1918 but also of their individual activities.

After Versailles came St. Germain. The former Austro-Hungarian Empire was here definitely disposed of. The fertile and productive parts were made new states, free of debt. A small part was left, stripped of assets, to assume all pre-war burdens. This plan effectively blighted that part of central Europe and the former allied powers no longer had to consider that one-time Empire except in dispensing charity.

All attention could be concentrated on Germany. When, following Versailles, the swag was divided, Lloyd George stuffed his pockets full of colonies and ships and left to the other allies the bulk of the reparations. Naturally, these had first to be collected. France would see to it that the collection was done, and whether Lloyd George hoped that that would be the case or not, it had to follow that the remaining allies would have their future development retarded, if, in fact, their remaining resources would not be further drained in the process.

The process began. France financed and soldiered Poland and other of the so-called buffer states which were created out of a page in history over 100 years old. The strain was becoming too heavy; her people were becoming impatient; she embarked upon her ravage of the Ruhr. Sentiment in Great Britain vacillated. It is more than a theory that part of this vacillation was due to the hope that, while the struggling Germany and the impatient France were wearing each other out, the alluring field of trade with Russia would be left to Great Britain alone.

Great Britain's effort at Russian trade was a failure. The ships she had taken from Germany were rusting in her harbors. Rumors were current that the French steel interests were finally accomplishing the purpose of the Poincaré drive on the Ruhr and that German and French industrialists were discussing a consortium. The early apprehensions of Great Britain that its procedure at Versailles had not been characterized by the usual British farsightedness became more pronounced. Lloyd George was recognized as a temporist and Britain changed her tactics with respect to the Ruhr literally overnight.

For a brief moment the outlook for constructive as distinguished from oppressive activity was bright but it was obliterated by a step taken by Great Britain which seemed at the time to be a beneficial one.

The Baldwin commission came to the United States to agree to pay its so-called debt. This statement is made advisedly. Reference to the financial literature of the time reveals that there was then in this country a distinctly growing sentiment in favor of cancellation. While the Baldwin commission was here, the growth of that sentiment was suspended. It must be remembered that at that time England was on a paper basis with the rest of Europe. The proud Old Lady of Threadneedle Street no longer held her head high. Whether Baldwin was actuated by long-established British commercial practice that commercial debts must be paid or whether he was led on by more selfish motives is beside the point. Great Britain agreed to pay. Shortly thereafter, with our help, the Bank of England maintained a gold basis and Great Britain again had visions of regaining at least a large part of its glory and profit as the financial center of the world. But here again, without depreciating Great Britain's motives, one may say that a step was taken which was in the category of "attempting to get the jump on the other fellow."

The precedent was established that the debts of the former allied and associated powers to us had to be paid. Slowly the others came to the captain's table, made their terms, and, by complicated systems of arbitrary aid, artificially returned to gold standards. The doctrine of capacity to pay became established.

Where does the world stand to-day?

The ships which Lloyd George grabbed have mostly rotted from lack of use. The colonies called mandates have been a severe drain on Great Britain's resources and a source of political unrest for her and the world. She has gained none of the hoped-for advantages from her premature return to a gold standard; the paralyzing of central Europe has paralyzed her commerce; her army of unemployed has increased to awful proportions; a species of western politics heretofore unknown to Great Britain has infected her well-being; voters are supported in idleness by a socialistic government and what is left of the earning power and wealth of the country are taxed unmercifully.

France was able to ward off unemployment by not demobilizing. Her soldiers first were put in Poland and throughout the buffer states and were occupied with the Riff affair, but this became expensive and the end had to come. By deflating the franc and by financial operations in this country and Great Britain she has accumulated a mass of gold. Her populace, however, is still deceived by paper currency. It is said in well-informed circles that France is afraid to recall the paper and put out coins lest its population realize how completely France has not won the war. But others attribute more sinister motives to her gold mobilization. Her alleged prosperity based on a huge stock of gold is superficial. For a while, during our so-called prosperity boom, there was business in France, but now the real situation is coming to the fore. There is depression and the recent bank failures are teaching her what we, too, should be learning, namely, that a stock of gold with no commercial activities to absorb it causes dangerous inflation.

Italy is sitting on a political volcano whose menace is as threatening as any of its mountain volcanoes and whose eruption will be as deadly.

Russia, instead of being one of the family of nations, is a world by itself. The Bolshevik doctrine obtained nourishment from Russia's ostracism. Generations are growing up who know the capitalistic régime only as an outside enemy. A generation is maturing who, never having known the ordinary conveniences of life, will gladly stand for what we call deprivations in order to fight the common capitalistic enemy. One hundred and thirty years ago no one dreamt what would happen to the doctrine of the divine right of kings. If Russia is kept ostracized it is not safe to assume that the capitalistic régime may not suffer the same fate.

Confining our observations to the larger members of the pre-war family of nations, we may say that England, France, Italy, and Germany are on their uppers, and Russia is out of the family of nations. To this state of affairs one may trace the chief cause of the collapse in the Far East. While in pre-war days England, France, Germany, and Russia exploited the wealth of China, nevertheless, a spirit of cooperation among them did prevail to the extent that they were all solicitous to keep alive the goose that was laying the golden eggs. Now that they have troubles of their own, the vast Chinese Empire is necessarily allowed to suffer the ravages resulting from its disorganization. It is reasonable to assume that Great Britain could have dealt with India more readily if she did not have her own economic and political houses crumbling down upon her. In pre-war days the delicate financial and commercial operations required in the handling of Latin America were well taken care of by Great Britain and Germany to the profit of all concerned.

Due to the collapse of Europe the world outside of the United States and its possessions literally has had to shift for itself at a time when it was socially, politically, and economically unprepared to do so.

Now, let us analyze briefly how the damages were assessed against Germany. First, article 231 of the document of Versailles fastened on her moral responsibility for the damage done on land, on sea, and from the air—in other words, for all the wealth destroyed during four years of unprecedented destruction. In keeping with the political religion of France that Germany must be kept down, the financial bill was not fixed in amount but a draft with the amount left blank was drawn on Germany. Then the Dawes plan fixed an amount which she should pay annually and, finally, the draft drawn on Germany was completed by the experts' plan which fixed the number of years that payments should be made. But there has been no real deviation from the policy of oppression.

It is significant that the final amounts are based on an alleged capacity to pay. What the former allied powers took immediately after the treaty by way of ships and colonies was, practically speaking, not taken into account. While these enormous items represented losses of wealth as far as Germany was concerned, as outlined above, they profited the former Allies nothing, and consequently were not really taken into consideration in fixing the bill.

In addition to the loss of her ships and colonial possessions, Germany sustained other tremendous losses which conversations with informed people in this country lead me to believe have not been generally appreciated here.

The former allied countries seized the properties, factories, plants, and accounts receivable belonging to individual Germans throughout the world just as we did in the United States. But, although we are returning 80 per cent of this and have provided for an eventual return of the balance, the former allied powers retained their seizures with only minor exceptions. These seizures took place not only in England, France, and Italy, but throughout the world—in China, India, Singapore, French Indo-China, British possession in South America, and in every spot in the world controlled legally or otherwise by any of the former allied countries. After the seized properties were liquidated, the subjects of the various former allied countries were paid their claims against Germany and its subjects. The balance was to be credited to Germany under reparations account. After a fashion it was so credited, but when one recalls that the treaty of Versailles did not fix any gross amount that Germany was to pay, these credits represented only credits against an unfixed and elastic liability. Both the Dawes and experts' plans started afresh in fixing first what Germany should pay yearly and, finally, the period for which she should pay. Great Britain alone, after paying all her subjects and all expenses of administration and providing liberally for all contingencies and claims, admitted a surplus of £30,000,000. At The Hague meeting subsequent to the formation of the experts' plans and as a condition of Great Britain's approving the experts' plans, Snowden compelled Germany to agree that England might retain these £30,000,000. Furthermore, huge amounts in money and goods were paid between 1920–1923 to the reparations commission and it was only the realization that this could not continue and Great Britain's changed attitude about the Ruhr that brought on the Dawes plan.

In round figures, Germany must pay $480,000,000 annually. The payments extend for so many years (for 37 years at this rate and then for 22 years at a slightly reduced rate) that, to all practical purposes, the period means forever as far as the present generation in Germany is concerned.

In considering the present economic aspects of Germany's obligations in so far as they affect us and the rest of the world, the tremendous amounts which Germany paid before the Dawes plan began to function may, perhaps, be overlooked. But there are many of us who are still in the trenches mentally and who say that Germany must pay and must pay, so it is well to point out that she has paid enormous sums even before the experts' plans calculated her 1924 and 1929 capacities to pay.

The former allied powers owe us and Germany owes them even more. What must be done even to attempt payment?

It is axiomatic in international finance that practically the only way open for a debtor nation to pay its creditors is by means of merchandise and services. As a debtor nation does not perform banking services for its creditors, its services consist chiefly in shipping.

To discharge her enormous obligations annually Germany must sell her goods to the entire world and send them there in German bottoms.

If she can not sell and ship enough, she must make up the margin by cutting down her own purchases. What does "enough" mean? First, she must make enough to live on. Secondly, she must add to this profit enough to permit a profit of $480,000,000 annually.

Assuming that she can do this, who is going to buy our merchandise and the merchandise of the rest of the world?

In pre-war days Great Britain was a creditor nation; she imported more than she exported, but the deficit was more than made up by her banking charges and her shipping services, and being a relatively small place physically, she got on extremely well.

We are primarily producers and the tremendous expansion in our plants brought about through the war have emphasized our position as producers. We built up a tremendous scale of production and, following this by huge mergers and consolidations, did a big business on a small basis of profit. It has been argued that we ourselves consume 90 per cent of our production, but if

this is true, the remaining 10 per cent is what makes the difference between profit and loss. In pre-war days a bad year or two did not necessarily mean that a company ran from big profits to red ink. One bad year now shows how important the remaining 10 per cent is. With all our tremendous resources our leading companies have had to husband these resources by slashing or entirely omitting their dividends. Business was done on so large a basis but with so small a margin of profit that one bad year is threatening to gum the works. Can we afford to persist in a policy that lessens the consuming power of the rest of the world?

Added to our position as a producing nation is the fact that we are also a creditor nation. This situation is perhaps unprecedented. We must buy from the world enough to enable it to pay what it owes us. We must sell to the world enough to keep our factories going and our farmers producing.

Shall we junk our factories and abandon our farms, or shall we take steps to help world-wide consumption of our products and commodities?

After the Dawes plan we had several years of prosperity accentuated by healthy exports. But what happened at that time? Large foreign loans were floated in this country and these loans were conditioned upon their proceeds being spent here. In other words, we encouraged consumption. Commodities, raw materials, manufactured articles, and other needs which we were prepared to furnish but which the rest of the world, both on account of shipping difficulties during the war and financial difficulties thereafter, was unable to buy from us were purchased freely and foreign loans which we were able to provide furnished a temporary solution.

After the experts' plan, coming as it did on top of a series of agreements made by the former allied and associated powers to pay their debts to us according to alleged "capacities to pay," it was realized that the world had to settle down in grim determination. The debtors could buy from no one; they had to sell. Everyone, including ourselves, became afraid of dumping by others and built up tariff walls. The treaty of Versailles set up a political structure that went back over 100 years; the tariff walls throughout the world have set up an economic structure that goes back over 100 years.

The world's tariff action reveals apprehensions that belie any genuine hope that the policy of oppression conceived at Versailles and relentlessly persisted in since offers a safe course.

I have said that shortly after the Dawes plan we embarked upon a series of foreign loans with resulting increase of foreign trade and prosperity. Perhaps this course might have been resumed after the experts plan. Long before the experts plan was completed inspired journalists spoke of funding a large part of Germany's debt by an international bond issue of $3,000,000,000. We were then in a period of inflation. The inflated values might have furnished a bookkeeping basis against which an issue of three billions could have been made to pay for values long since destroyed. If the inflation continued this intangible item might slowly have been worked off; but the bubble burst too soon. Gradually we are realizing what higher circles knew in France in September, 1929. The gold which France had mobilized in the financial centers of the world was precipitously withdrawn and a deflation was caused before the experts' plan had a chance. Instead of an international issue of three billions there was one of only three hundred million, which, in reality, was no funding at all. It may be too early to say definitely that France frustrated the experts' plan. It seems clear, however, that her ruthless mobilization of gold is threatening what little stabilization of international financial structures has been accomplished in the last 12 years. Witness her continued pressure by gold withdrawals from London. This selfish mobilization of gold is one of the outstanding threats against the peace and comfort of the world to-day. If France were told by a united world, under the leadership of this country, that we were going to make an about face and that our efforts were going to be turned from oppression of central Europe to a constructive policy of live and let live, she would no longer keep her gold mobilized. If she were told that the world can no longer agree that her existence depends upon crushing out the rest of Europe she would have no alternative other than to put her gold back to work for the benefit of the world and thereby herself.

Our best economists have repeatedly pointed out that only at the expense of our own commerce and only by building up on borrowed money a colossus of efficiency that will brook no competition can Germany even attempt to meet her present obligations. What is the likely result of failure?

No one can gainsay that Germany has made tremendous efforts toward meeting the obligations forced upon her. Furthermore, some circumstances have been favorable. Von Hindenburg was available for the Presidency to link the old school with the new; due to the presence of men of the caliber of Rathenau and the continuation of his school of thought by Stresemann and Brüning, Germany has tried to carry on. Due to these fortunate circumstances, the will to go along has been present, but what is the status now? She has borrowed five billions, of which she has used two and one-half billions in an endeavor to meet her commitments. To borrow the phrase of an eminent German banker, the other two and one-half billions has gone toward making up an appearance of ability to pay. But danger signals are set and unfortunate misapprehensions of her attitude are becoming current. The "breaks" show signs of going the other way. Due to a few speeches, we first read that Germany would ask for a cancellation; next that she would ask for a moratorium, and now it is that she will repudiate. Unofficial speeches followed by perniciously false propaganda, together with a misconception of the recent elections, have distorted actual conditions. Based on past experience, Germany can succeed in paying only by continuing to borrow, which is no payment at all; and in the final analysis her ability to borrow must come to an end if, in fact, this period has not already arrived. If she continues to borrow for the purpose of paying, the cumulative interest charges alone on all these huge amounts are bound to bring her to her doom. But nothing that Germany has done warrants the apprehension that the present suffrage will repudiate.

The recent elections, however, if properly interpreted, do show what may happen in the event of failure. The increase in the communistic votes does not show that Germany is inclined actively toward Bolshevism. The so-called revolution in 1920 demonstrated that, and 10 years of suffering have not yet made the German order-loving mind inclined toward Bolshevism. The growth of the Hitlerites does not mean that Germany is for Fascism.

The German election signaled that there is a growing despair. The idealism of the Rathenau school was buoyed up under the hope of a coming Dawes plan. The steps originally contemplated for the Dawes plan were resolved and dragged out into two—the Dawes plan and the experts' plan. These have come and gone, the outlook is darker than ever, and there is nothing to look forward to. That, to my mind, is the meaning of the recent elections. Germany has been a bulwark against the spread of Bolshevism in Europe.

Lord Rothermere, who was in Munich during the elections, cabled his papers that the growth of the Hitlerites would strengthen this bulwark. But evidently he had his tongue in his cheek at the time because his cable concluded that Great Britain should be the first to show its good faith to the Republic Germany by giving back to Germany its pre-war colonies. He realized that the hope of the German people had to be sustained. Shortly after the elections Briand recognized the need of instilling hope into Germany, but his suggestion was for a League of Nations loan. No doubt he would have gone further, but he realized that at most he could only offer Germany temporary relief. He had to be able to tell France that any lifting of the heavy hand was only temporary. When, in 1775, Burke told the House of Commons that it could not indict and imprison an entire nation, he was right, as history proved, but he was talking about a young nation full of resolution and hope. If the world persists in the French theory of crushing central Europe, future history will again prove that Burke was right, but, as we are dealing with a nation whose hope is waning and who is on the brink of despair, we may find that the proof of Burke's theory will come through Germany at last becoming a prey to the spread of that Bolshevism in central Europe, against which to date she has been so strong a bulwark.

If Germany breaks down, another monument will have been erected to Lenin. Even a repudiating Germany, which means at least a virile Germany, would be preferable!

The policy of crushing Germany has led us nowhere.

Let us change our course. A recent proponent of the cancellation of debts has said, "let us be magnanimous." His may be the language of diplomats and politicians. I am not prepared to say that cancellation of debts would be magnanimity. It would be a constructive step toward the return of normal international relations. The artificial methods of currency stabilization could be done away with. The world-wide necessity for doing without our products—intensified first by the inability to obtain them due to transportation difficulties of the war and then by financial difficulties—would be removed. It would let not only Central Europe but the former allied nations use their borrowing power for buying instead of for paying for what everyone had a hand in destroying.

Whether or not this would be giving up something by us is beside the point, because we are faced with a condition which needs a solution. Still, I think some one in a position of leadership should nevertheless answer those who say, "Why should we cancel the debts? Who will pay our Liberty bonds?" True, we can not point to this colony or that reparation payment and say that we got this and that out of the war. On the other hand, it must be admitted that before the war we were a debtor nation. Our best bonds and stocks were owned abroad. To-day they are owned here. Not only are they owned here, but we own some of the best bonds and stocks of Europe. Whether the international war debts to us are paid or not, this condition will remain, and in facing the facts and considering whether or not a new course should be adopted, the fallacy that we did not gain material wealth as a result of the war should be disposed of.

One may ask: "What have Germany's debts to the former Allies got to do with us?" True it is that, although we sent our best brains to formulate the experts' plans, we have consistently said that what Germany owes the former Allies and what these former Allies owe us are two distinct things. But this is just a nice legalistic distinction. If Germany does not pay, England and the others can not pay and France won't pay. Furthermore, the debt agreements with us contain moratorium provisions analogous to those of the experts' plans.

We have slowly been coming toward cancellation. First, no amount of damage was fixed which Germany had to pay; then the Dawes plan fixed what she should pay yearly; then the Young plan fixed the full amount, but definitely provided that if any of the former allied powers had their debts canceled, the benefit of that cancellation would be passed on to Germany. It is a fair inference that the economic experts had in mind an eventual cancellation, but were hampered by the politicians. The slow process has been disastrous.

Let this country resume constructive leadership; cancel the debts to the former allied and associated powers. Even after this is done, there will be a substantial balance which Germany will have to pay. Her obligations to them exceed theirs to us by over two hundred millions annually for decades. As part of the plan of cancellation, fund that balance by periodic international issues of bonds internationally guaranteed, perhaps such as was originally contemplated by the experts' plans; make France take a fair share of those bonds and use some of her threatening mobilized gold for constructive purposes; see to it that a fair amount of the proceeds of those bonds are spent in this country; remove Germany from the threat of Bolshevism; set a constructive example so that constructive efforts may more readily be applied toward Russia.

Lift the heavy hand from Europe and let the family of nations get back to business.

ARTICLE BY THOMAS F. WOODLOCK ON THE RUSSIAN SCHEME

Mr. COPELAND. If the Senate will bear with me for one moment, I wish to present for printing in the RECORD an article entitled "The Russian Scheme," written by Mr. Thomas F. Woodlock, until recently a member of the Interstate Commerce Commission. Mr. Woodlock is a deep thinker and a diligent student of economics. I believe this very brief half-column artile will be read with interest.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The article is as follows:

[From the Washington Post of Tuesday, December 9, 1930]

THE RUSSIAN SCHEME

By Thomas F. Woodlock, in the Wall Street Journal

The main outlines of Soviet Russia's experiment are beginning to loom more clearly through the fog of propaganda and misinformation, and it is possible to see the general ground plan. It is not a very complex affair in itself, but it is of extreme importance in its possible implications with respect to what we call in general terms the "civilized world." It is of interest to recall that some 12 years ago the German writer, Spengler, in his famous book the Downfall of the Western World, stated that our "civilization" was in the late evening of life—much where the Graeco-Roman civilization was in 200 A. D.—and that the stage was set for the rise of a new "Kultur." Those who are inclined to accept his view of history in general will find in Soviet Russia a likely birthplace for the new arrival. Whether or not one believes in the Spenglerian theory, it is clear that we have to deal with a phenomenon without historical precedent and with something utterly foreign to the fundamental notions of the western world.

There are two aspects of the Russian matter—one purely "economic" and the other "ethical"—giving to that word its widest significance. It is, perhaps, natural that we hear more, talk more, and think more of the "economic" side than we do of the "ethical" side. It is more easily visible, and its impact upon our own "economics" is more immediate and more direct, and therefore more acutely felt. But "economics," properly regarded, is merely a department of "ethics," and it is the "ethical" aspect with which history will most concern itself in the event that the soviet experiment succeeds.

Briefly stated, the Soviet Government is engaged in the attempt to coordinate the natural resources of Russia, and develop them under the general principles laid down by Marx for the creation of the socialist state—the cooperative commonwealth. It is concentrating all its effort at present under the "5-year plan" toward a rapid "industrialization" by means of huge plants which, it is expected, will, within a year or two, leap into mass production of important commodities, both capital goods and consumers' goods. By means of these plants it expects to satisfy the needs of the Russian people and to enter into competition in the world's markets with the great "capitalist" nations in such a way as to wear them down and thus accomplish the world revolution. It has required heavy sacrifices from its people pending completion of the "plan," and has poured into foreign markets all the raw material it could gather up in order to provide funds for purchase of industrial machinery and for employment of the world's best experts. Where possible it has conscripted labor and material; where necessary it has spared no expense for both, and speed has been the order of the day. One can find in Russia whatever one wants to find—whether it be slave labor or "pampered" labor; it is merely a case of knowing where to look.

Whether under a "collectivist" organization of the Russian state it will be possible to bring about a satisfactory living standard for the Russian people and to make that people a dominant competitor in the world's markets is the immediate "economic" question which interests the world, and it is no doubt important. But there is no present need for yielding to nightmares about it. It will need more than a collection of giant plants and unlimited material for its accomplishment, and nothing in human experience to date warrants the belief that a "collectivist" form of social organization is likely to prove the most efficient competitor in business and industry.

But the really interesting and supremely important question is whether or not the attempt of the Soviet Government to produce an "amoral" race of people will prove successful. The essence of the Marxian philosophy, which is the soviet gospel, was pure materialism and rigid determinism. It was a typical nineteenth-century concept and was supposed to be completely supported by the "science" of the day. Under it the notion that man was a "moral" personality, with a conscience to tell right from wrong and a will with power to choose the right, was utterly untenable, and all forms of "religion" were without any basis of objective truth, being, at best, harmless "myths" and, at worst, engines for human oppression. All which was supposed to be "scientifically" proven and no longer debatable. This the Soviet Government is trying to teach the Russian people to-day, and with some degree of success, if careful observers may be believed. And it finds, as is only natural, that whatever tends to narcotize the conscience of man and do it in the name of "science" falls not unpleasantly upon the ear, especially the ear of youth. The attack is centered upon the church and family—very correctly, from the point of view of strategy.

EUROPEAN REPARATIONS AND INDEBTEDNESS

Mr. DILL. Mr. President, I want to say that I agree with what has been said about the cancellation of debts in the past.

The VICE PRESIDENT. Is there objection to the Senator speaking on this subject? The Chair hears none.

Mr. McNARY. Mr. President, may I inquire of the Senator about how long he desires to speak?

Mr. DILL. Just a few words.

Mr. McNARY. I ask for the reason that the morning hour will be exhausted at 2 o'clock, and it is very much desired to get up a joint resolution.

Mr. DILL. I shall take but a very few moments.

The VICE PRESIDENT. The Chair hears no objection.

Mr. DILL. I was saying that I approved of what the Senator said about the debts that have been canceled, and the proposal to cancel more debts. As the Senator was speaking on that subject, however, I wondered in what position the United States will be if we enter the World Court under the Root formula, by which we can object but can not stop the court from passing on questions, should these debts and these reparations come before the court for consideration. It impresses me that that is worth considering at a later date when the subject is before the Senate.

ARTICLE BY B. F. AFFLECK

Mr. GLENN. Mr. President, I present and ask leave to have printed in the RECORD an article by Mr. B. F. Affleck, of Chicago, quoting excerpts from an essay by Thomas Babington Macaulay.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"A single breaker may recede but the tide is coming in!"

Thus wrote the eminent English essayist, Macaulay, during the trying times of 1830.

"On what principle is it," he asks, "that when we see nothing but improvement behind us, we are to expect nothing but deterioration before us?"

Although Macaulay wrote this stimulating analysis 100 years ago, it is interesting to note that he makes specific reference to 1930—"If we are to prophesy that in the year 1930 * * *." But read what he says:

"History is full of the signs of the natural progress of society. We see in almost every part of the annals of mankind how the industry of individuals, struggling up against wars, taxes, famines, conflagrations, mischievous prohibitions and more mischievous protections, creates faster than governments can squander, and repairs whatever invaders can destroy.

"We see the wealth of nations increasing and all the arts of life approaching nearer and nearer to perfection in spite of the grossest corruption and the wildest profusion on the part of rulers.

"The present moment is one of great distress. But how small will that distress appear when we think over the history of the last 40 years; a war compared with which all other wars sink into insignificance; taxation, such as the most heavily taxed people of former times could not have conceived; a debt larger than all the public debts that ever existed in the world added together; the food of the people studiously rendered dear; the currency impudently debased, and imprudently restored.

"Yet is the country poorer than in 1790? We firmly believe that, in spite of all the misgovernment of her rulers she has been almost constantly becoming richer and richer. Now and then there has been a stoppage, now and then a short retrogression; but as to the general tendency there can be no doubt. A single breaker may recede; but the tide is evidently coming in.

"If we were to prophesy that in the year 1930, a population of 50,000,000, better fed, clad, and lodged than the English of our time, will cover these islands; that Sussex or Huntingdonshire will be wealthier than the wealthiest parts of the West-Riding of Yorkshire now are; that cultivation, rich as that of a flower garden, will be carried up to the very tops of Ben Nevis and Helvellyn; that machines constructed on principles yet undiscovered

will be in every house; that there will be no highways but railroads, no traveling but by steam; that our debt, vast as it seems to us, will appear to our great-grandchildren a trifling encumbrance which might easily be paid off in a year or two—many people would think us insane.

"We prophesy nothing; but this we say: If any person had told the Parliament which met in perplexity and terror after the crash of 1720 that in 1830 the wealth of England would surpass all their wildest dreams, that the annual revenue would equal the principal of that debt which they considered an intolerable burden; that for one man of £10,000 then living, there would be five men of £50,000; that London would be twice as large and twice as populous and that nevertheless the rate of mortality would have diminished to one-half what it then was; that the post office would bring more into the exchequer than the excise and customs had brought in together under Charles II; that stage coaches would run from London to York in 24 hours; that men would sail without wind, and would be beginning to ride without horses—our ancestors would have given as much credit to the prediction as they gave to Gulliver's Travels.

"Yet the prediction would have been true; and they would have perceived that it was not altogether absurd, if they had considered that the country was then raising every year a sum which would have purchased the fee-simple of the revenue of the Plantagenets—ten times what supported the government of Elizabeth—three times what, in the time of Oliver Cromwell, had been thought intolerably oppressive. To almost all men the state of things in which they have been used to live seems to be the necessary state of things.

"We have heard it said, that 5 per cent is the natural interest of money, that 12 is the natural number of a jury, that 40 shillings is the natural qualification of a county voter. Hence it is, that though, in every age everybody knows that up to his own time progressive improvement has been taking place, nobody seems to reckon on any improvement during the next generation.

"We can not absolutely prove that those are in error who tell us that society has reached the turning point—that we have seen our best days. But so said all who came before us, and with just as much apparent reason.

"'A million a year will beggar us,' said the patriot of 1640.

"'Two millions a year will grind the country to powder,' was the cry in 1660.

"'Six millions a year and a debt of 50,000,000!' exclaimed Swift 'the high allies have been the ruin of us.'

"'A hundred and forty millions of debt' said Junius—'well may we say that we owe Lord Chatham more than we shall ever pay, if we owe him such a debt as this.'

"'Two hundred and forty millions of debt!' cried all the statesmen of 1783 in chorus—"what abilities, or what economy on the part of a minister, can save a country so burdened?" We know that if, since 1783, no fresh debt had been incurred, the increased resources of the country would have enabled us to defray that burden, at which Pitt, Fox, and Burke stood aghast—nay, to defray it over and over again, and that with much lighter taxation than what we have actually borne. On what principle is it, that when we see nothing but improvement behind us, we are to expect nothing but deterioration before us?

"It is not by the intermeddling of Mr. Southey's idol—the omniscient and omnipotent state—but by the prudence and energy of the people, that England has hitherto been carried forward in civilization; and it is to the same prudence and the same energy that we now look with comfort and good hope.

"Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties—by leaving capital to find its most lucrative course, commodities their fair price, industry, and intelligence their natural reward, idleness, and folly their natural punishment—by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the state.

"Let the Government do this—the people will assuredly do the rest."—From Lord Thomas Babington Macaulay's Essay on Southey's Colloquies on Society, published in Edinburgh Review January, 1830.

That Macauley underestimated the progress that has since been made only serves to emphasize the soundness of his premise—"a single breaker may recede, but the tide is coming in."

B. F. AFFLECK,
President Universal Atlas Cement Co.,
208 South La Salle Street, Chicago, Ill.

NOVEMBER 22, 1930.

REPORT OF MILITARY AFFAIRS COMMITTEE

Mr. STECK, from the Committee on Military Affairs, to which was referred the bill (H. R. 2266) for the relief of E. O. McGillis, reported it without amendment and submitted a report (No. 1172) thereon.

DISPOSITION OF USELESS PAPERS

Mr. SMOOT. Mr. President, the Secretary of the Treasury has submitted to the Joint Select Committee on the Disposition of Useless Executive Papers certain papers that will have no future value. I ask on behalf of the joint committee that the request of the Secretary of the Treasury for the destruction of the papers may be complied with.

The VICE PRESIDENT. Without objection, it is so ordered.

FIRE HAZARDS OF SENATE SIDE OF CAPITOL

Mr. COPELAND. Mr. President, I send forward a resolution from the Committee on Rules and ask that it be read. I am going to ask unanimous consent for its immediate consideration.

The resolution (S. Res. 364) was read as follows:

Resolved, That the Committee on Rules be, and hereby is, authorized and directed to make a study of the fire hazards in the Senate wing of the Capitol and the Senate Office Building, and to report to the Senate by resolution or otherwise what changes or repairs are necessary, the expenses of such study to be paid from the contingent fund of the Senate.

The VICE PRESIDENT. The resolution will go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. COPELAND. Must it go there, in spite of the fact that it came from the Committee on Rules?

The VICE PRESIDENT. The law requires that it go to that committee, and it will be so referred.

REPORTS OF NOMINATIONS

Mr. SMOOT. Mr. President, as in executive session, I ask unanimous consent to submit certain reports for the executive calendar.

The VICE PRESIDENT. Without objection, the reports will be received and placed on the Executive Calendar.

Mr. HARRISON. Mr. President, may I ask the Senator from Utah in this connection if these are nominations for tariff commissioners?

Mr. SMOOT. Yes, and certain other nominations which were passed upon by the committee this morning.

Mr. HARRISON. I hope when the names of Mr. Dennis and Mr. Brossard are to be brought before the Senate the Senator will let us know in order that we may be here, because there is opposition to those two gentlemen.

Mr. SMOOT. I assure the Senator that I shall notify him in ample time.

Mr. GEORGE. I hope the Senator will not bring up the matter of the confirmation of the two commissioners named until the evidence has been printed for the use of the Senate.

Mr. SMOOT. I expect to have the hearings delivered in printed form in the next two or three days. I assure the Senator that that will be done. I also assure the Senator from Mississippi that I shall not ask for the consideration of the nominations in his absence.

Mr. HARRISON. Very well; I thank the Senator.

Mr. SMOOT, from the Committee on Finance, reported favorably the nomination of Harry J. Anslinger, of Pennsylvania, to be Commissioner of Narcotics.

He also, from the same committee, reported favorably the following nominations:

Henry P. Fletcher, of Pennsylvania, to be a member of the United States Tariff Commission for the term expiring June 16, 1936;

Thomas W. Page, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1935;

John Lee Coulter, of North Dakota, to be a member of the United States Tariff Commission for the term expiring June 16, 1934;

Alfred P. Dennis, of Maryland, to be a member of the United States Tariff Commission for the term expiring June 16, 1933;

Edgar Bernard Brossard, of Utah, to be a member of the United States Tariff Commission for the term expiring June 16, 1932; and

Lincoln Dixon, of Indiana, to be a member of the United States Tariff Commission for the term expiring June 16, 1931.

Mr. SMOOT also, from the Committee on Finance, reported favorably the nominations of sundry officers in the Public Health Service.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BORAH:

A bill (S. 5176) granting a pension to George W. Lewis (with accompanying papers); and

A bill (S. 5177) granting an increase of pension to Edna M. W. Fales (with accompanying papers); to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 5178) granting a pension to Benjamin H. Thayer; to the Committee on Pensions.

By Mr. PATTERSON:

A bill (S. 5179) granting an increase of pension to Mary A. Brooks (with accompanying papers); to the Committee on Pensions.

By Mr. DENEEN:

A bill (S. 5180) granting an increase of pension to Jane Yates (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 5181) granting a pension to Lydia Deming; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 5182) granting a pension to Caroline Henkel; to the Committee on Pensions.

A bill (S. 5183) for the relief of Herman Ingman; to the Committee on Claims.

A bill (S. 5184) to provide funds for cooperation with the school board at Poplar, Mont., in the extension of the high-school building to be available to Indian children of the Fort Peck Indian Reservation; to the Committee on Indian Affairs.

By Mr. REED:

A bill (S. 5185) to authorize the erection of an addition to veterans' bureau hospital at Aspinwall, in the State of Pennsylvania, and to authorize the appropriation therefor; to the Committee on Finance.

A bill (S. 5186) to transfer control of building No. 2 on the Customhouse Reservation at Nome, Alaska, to the Secretary of War; to the Committee on Military Affairs.

A bill (S. 5187) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (with accompanying papers); to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 5188) granting an increase of pension to Charles Halstead (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 5189) granting a pension to Mary C. Starbuck; to the Committee on Pensions.

By Mr. GREENE:

A bill (S. 5190) for the relief of A. W. Kliefoth; to the Committee on Claims.

By Mr. KING:

A bill (S. 5191) to provide for the erection of public buildings at Roosevelt and Smithfield, Utah; to the Committee on Public Buildings and Grounds.

By Mr. HOWELL:

A bill (S. 5192) for the relief of Donald K. Warner;

A bill (S. 5193) for the relief of Mildred N. O'Lone (with accompanying papers);

A bill (S. 5194) for the relief of the Sun Shipbuilding & Dry Dock Co. (with accompanying papers);

A bill (S. 5195) for the relief of Howard Dimick (with accompanying papers);

A bill (S. 5196) for the relief of the B. & O. Manufacturing Co. (with accompanying papers);

A bill (S. 5197) for the relief of the David Gordon Building & Construction Co. (with accompanying papers);

A bill (S. 5198) for the relief of T. Morris White (with accompanying papers);

A bill (S. 5199) for the relief of Leslie W. Morse (with accompanying papers);

A bill (S. 5200) for the relief of the National Dry Dock & Repair Co. (Inc.) (with accompanying papers); and

A bill (S. 5201) for the relief of C. O. Smith (with accompanying papers); to the Committee on Claims.

By Mr. DALE:

A bill (S. 5202) granting a pension to Arthur F. Sweet (with accompanying papers);

A bill (S. 5203) granting an increase of pension to Mary L. Van Guilder (with accompanying papers);

A bill (S. 5204) granting an increase of pension to Cordelia Vilmire (with accompanying papers); and

A bill (S. 5205) granting an increase of pension to May S. King (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Idaho:

A bill (S. 5206) authorizing the President, through the Secretary of the Interior, to study, report, and recommend on a revision and codification of the statutes affecting the American Indians; to the Committee on Indian Affairs.

By Mr. BLACK:

A bill (S. 5207) to create a military cross and a military medal; to the Committee on Military Affairs.

A bill (S. 5208) authorizing an additional appropriation to aid the States in the construction of rural post roads; and

A bill (S. 5209) to amend section 4 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, as amended and supplemented, and for other purposes," approved May 21, 1928; to the Committee on Post Offices and Post Roads.

By Mr. SMOOT:

A bill (S. 5210) to provide for the erection of a Federal Mineral Industry Building at Salt Lake City, Utah; and

A bill (S. 5211) to suspend the requirements of annual assessment work on mining claims during the assessment years 1931 and 1932; to the Committee on Mines and Mining.

By Mr. NORBECK:

A bill (S. 5212) to increase the efficiency of the Veterinary Corps of the Regular Army; to the Committee on Military Affairs.

A bill (S. 5213) to standardize the outstanding liabilities accounts of the Government and the negotiable period of Federal checks and warrants; to the Committee on Banking and Currency.

By Mr. SHORTRIDGE:

A bill (S. 5214) for the relief of Gustav Schmidt; and

A bill (S. 5215) for the relief of H. L. Todd; to the Committee on Claims.

A bill (S. 5216) to authorize the erection of a Veterans' Bureau hospital for women in the State of California, and to authorize the appropriation therefor;

A bill (S. 5217) to authorize appropriations for construction at the Pacific Branch of the National Soldiers' Homes, Los Angeles County, and for other purposes; and

A bill (S. 5218) to authorize the erection of an addition to Veterans' Bureau Hospital No. 104 at San Fernando, Calif., and to authorize the appropriation therefor; to the Committee on Finance.

By Mr. TYDINGS:

A bill (S. 5219) for the relief of John A. Pierce; to the Committee on Claims.

By Mr. TYDINGS and Mr. GOLDSBOROUGH:

A bill (S. 5220) authorizing the establishment of a mining experiment station of the Bureau of Mines at College Park, Md.; to the Committee on Mines and Mining.

By Mr. SCHALL:

A bill (S. 5221) for the relief of Maj. Richard K. Smith; to the Committee on Military Affairs.

By Mr. HOWELL:

A bill (S. 5222) granting a pension to Thomas H. Lynch;

A bill (S. 5223) granting a pension to Mary A. Trimbur; and

A bill (S. 5224) granting a pension to Lucinda B. Williamson; to the Committee on Pensions.

AMENDMENTS TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. SMOOT submitted an amendment proposing to appropriate $4,600 for compensation of officers and employees of the assay office at Salt Lake City, Utah, and for incidental and contingent expenses, etc., intended to be proposed by him to the bill (H. R. 14246) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. WALSH of Montana submitted an amendment proposing to appropriate $6,740 for compensation of officers and employees of the assay office at Helena, Mont., and for incidental and contingent expenses, including traveling expenses, new machinery, and repairs, intended to be proposed by him to the bill (H. R. 14246) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

INVESTIGATION OF BREAD PRICES IN THE DISTRICT

Mr. CAPPER submitted the following resolution (S. Res. 362), which was referred to the Committee on the District of Columbia:

Whereas during the past year the prices of wheat and wheat flour have appreciably decreased throughout the United States; and

Whereas in many cities throughout the United States the reduction in the prices of wheat and wheat flour has led to a fair reduction in the retail price of bread in such cities; and

Whereas the Committee on the District of Columbia has received complaints stating that the public of said District has received no benefit from the reduced prices of wheat and wheat flour, as reflected in the retail cost of bread to the consumer, but is paying as much for this commodity as in years when wheat and flour prices were considerably higher than at present; and

Whereas Congress has seen fit in the past to authorize inquiries and investigations by its committees into alleged exorbitant prices of foodstuffs in the District of Columbia: Therefore be it

Resolved, That the Committee on the District of Columbia, or a duly authorized subcommittee thereof, be, and it is hereby, authorized and directed to make a full and complete investigation of prices of bread and other foodstuffs in the District of Columbia, and to report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary legislation.

REPORT OF INTERSTATE COMMERCE COMMISSION IN CASE OF COMMISSION *v.* PENNSYLVANIA RAILROAD CO. AND PENNSYLVANIA CO.

Mr. DILL. Mr. President, a few days ago the Interstate Commerce Commission decided a case against the Pennsylvania Railroad Co. and the Pennsylvania Co., and wrote a decision which is somewhat lengthy but extremely informative, because, for the first time, it covers the question of holding companies in the railroad business.

I therefore ask unanimous consent to have printed in the RECORD the decision of the Interstate Commerce Commission.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION—No. 22260—INTERSTATE COMMERCE COMMISSION v. PENNSYLVANIA RAILROAD CO. AND PENNSYLVANIA CO.—SUBMITTED OCTOBER 10, 1930—DECIDED DECEMBER 2, 1930

Upon complaint and investigation, the Pennsylvania Railroad Co. and the Pennsylvania Co. found to have violated the Clayton Antitrust Act by the acquisition of capital stock of the Lehigh Valley Railroad Co. and of the Wabash Railway Co. Order entered requiring the respondents to cease and desist from such violations and to divest themselves of the stock so acquired.

William H. Bonneville and H. L. Underwood for Interstate Commerce Commission.

Henry Wolf Bikle and C. B. Heiserman for respondents.

REPORT OF THE COMMISSION

By the commission: By order entered May 6, 1929, we issued complaint against the Pennsylvania Railroad Co., hereinafter usually referred to as the Pennsylvania Railroad, and the Pennsylvania Co., charging violation of the Clayton Antitrust Act (38 Stat. L. 730, "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, U. S. Code, title, 15, sec. 12, et seq.) by the acquisition of capital stock of the Lehigh Valley Railroad Co. and the Wabash Railway Co., hereinafter usually called the Lehigh Valley and the Wabash. Respondents were notified of their right to appear before us on the 24th day of June, 1929, later changed to May 21, 1930, to show cause why an order should not issue requiring them, and each of them, to divest themselves of all interest in the stocks acquired, and the respondents were required to file answers with us within a time specified.

The complaint alleges that the Pennsylvania Railroad is a corporation engaged as a common carrier in transportation of passengers and property in interstate commerce in competition with the Lehigh Valley and the Wabash, which are also corporations engaged in commerce; that the Pennsylvania Co. is a corporation engaged, among other things, in the business of dealing in securities of common carriers by railroad engaged in interstate commerce, and is a subsidiary holding and investment company of the Pennsylvania Railroad, its entire outstanding capital stock being owned by that company; that the officers of the Pennsylvania Co. are also officers of the Pennsylvania Railroad, and the majority of the directors of the Pennsylvania Co. are also directors of the Pennsylvania Railroad; that the Wabash owns 231,329 shares of Lehigh Valley stock, constituting about 19 per cent of the total outstanding stock of that company; that during the period from February 15, 1927, to June 26, 1928, the Pennsylvania Railroad indirectly acquired 675,800 shares of capital stock of the Wabash and 365,039 shares of capital stock of the Lehigh Valley without our approval; that such acquisitions were made through and by means of the Pennsylvania Co., which directly acquired the stocks without our approval and is now the recorded holder thereof; that such indirect acquisition by the Pennsylvania Railroad and direct acquisition by the Pennsylvania Co. were in violation of section 7 of the Clayton Act; and that the effect of such acquisitions may be to substantially lessen competition between the Pennsylvania Railroad and the Wabash and between the Pennsylvania Railroad and the Lehigh Valley and to restrain commerce in certain sections and communities.

The Pennsylvania Railroad in answer admits that it is a corporation engaged in commerce but avers that the Pennsylvania Co. is and was an investment company and not engaged in the business of dealing in securities of common carriers, as alleged in the complaint; that the entire capital stock of the Pennsylvania Co. is owned by the Pennsylvania Railroad; that the officers of the Pennsylvania Co. are also officers of the Pennsylvania Railroad, and that a majority of the directors of the Pennsylvania Co. are also directors of the Pennsylvania Railroad. It also admits the status of the Wabash and the Lehigh Valley as corporations engaged in commerce, but is silent as to the allegation of competition between those carriers and itself. It further admits ownership of the Lehigh Valley stock by the Wabash, as alleged, and the purchase of Wabash and Lehigh Valley stocks by the Pennsylvania Co., but denies that such stocks were acquired either directly or indirectly by the Pennsylvania Railroad, that the acquisitions were in violation of section 7 of the Clayton Act, or that their effect may be to substantially reduce competition or restrain commerce, as alleged.

The answer of the Pennsylvania Co. follows closely that of the Pennsylvania Railroad in its admissions and denials and avers that the Pennsylvania Co. purchased the Wabash and Lehigh Valley stocks in its own corporate right and holds the same in such right and not for the account of the Pennsylvania Railroad. It also denies our jurisdiction over it with respect to any of the matter alleged and moves to dismiss the complaint as to this defendant.

After hearing, briefs were filed by our bureau of inquiry and by respondents and a reply brief by respondents. Oral argument has been heard.

At the hearing there was placed in evidence an agreed statement of facts relating principally to the circumstances surrounding the acquisitions of Lehigh Valley and Wabash stocks, but showing also that the 675,800 shares of Wabash stock and the 365,039 shares of Lehigh Valley stock constituted about 48 per cent and 30 per cent of the total outstanding stocks of those companies, respectively. The 30 per cent of Lehigh Valley stock added to the 19 per cent held by the Wabash gave the Pennsylvania Co. ownership of, or interest in, about 49 per cent of the total outstanding Lehigh Valley stock.

A clear understanding of the history of the stock acquisitions requires immediate reference to the official personnel of the Pennsylvania Railroad and the Pennsylvania Co. The agreed facts show the following list of officers and directors in common:

Name	Office held	
	Pennsylvania Railroad	Pennsylvania Co.
W. W. Atterbury	President and director	President and director.
Elisha Lee	Vice president and director.	Vice president and director.
C. B. Heiserman	Vice president and general counsel.	General counsel.
A. J. County	Vice president and director.	Vice president and director.
M. C. Kennedy	do	Director.
J. Taney Willcox	Secretary	Secretary.
G. H. Pabst, jr	Treasurer	Treasurer.
F. J. Fell, jr	Vice president and comptroller.	Comptroller.
W. B. Kraft	Assistant comptroller	Assistant comptroller.
Elmer Hart	Deputy comptroller	Do.
Edgar C. Felton	Director	Director.
E. B. Morris	do	Do.
Jay Cooke	do	Do.
C. E. Ingersoll	do	Do.
A. W. Thompson	do	Do.
Levi L. Rue	do	Do.
Howard Heinz	do	Do.
Richard B. Mellon	do	Do.

The board of directors of the Pennsylvania Railroad is composed of 17 members and that of the Pennsylvania Co. of 13 members, and it appears from the foregoing list that 12 persons serve on both boards; also that all principal officers of the one corporation serve the other in similar capacities.

The same agreed statement embraces copies of correspondence and details of transactions leading to the acquisitions of Lehigh Valley and Wabash stocks, some of which will be later referred to as occasion requires. It will better serve the needs of this report to present at this point a summary of the testimony of W. W. Atterbury, who, at the time of the acquisitions, was president of the Pennsylvania Co. as well as of the Pennsylvania Railroad, and still holds those positions.

The witness testified that following hearings that were had with reference to our tentative consolidation plan, issued August 3, 1921, efforts were made by the executives of the railroads in eastern territory to find a solution that they might submit to us as a basis for ultimate consolidation of the railroads in that territory. The New York Central, the Baltimore & Ohio, the Pennsylvania, and the Nickel Plate joined in a series of conferences hoping that they might be able so to adjust relations with each other and other railroads in the same territory as to be in position to formulate and present to us a 4-party consolidation plan which would minimize, as far as possible, the difficulties in the way of consolidation in accordance with our tentative plan. The Nickel Plate at that time had acquired an interest in the Chesapeake & Ohio and was "working on the Pere Marquette and the Erie." The New York Central wanted an additional line between New York and Buffalo, preferably the Lackawanna. The Baltimore & Ohio wanted the Reading and the Wabash. The Pennsylvania Railroad also had definite things that it desired to accomplish in order to round out its system, one of which was to secure a line from the upper reaches of the Susquehanna River to the Delaware River and into New York City, and another was a line from the lower Susquehanna River, near Harrisburg, to the Delaware. It also desired a line on the south side of Lake Erie, certain trackage rights which would improve its service from Detroit to St. Louis, and a line between Chicago and St. Louis. In the discussions that followed it developed that the New York Central was unwilling to give up its interest in the Reading until it could be assured of complete control of either the Lackawanna or Lehigh Valley. It also developed that neither the New York Central nor the Nickel Plate would give to the Pennsylvania Railroad trackage rights along the shore of Lake Erie, nor, as it later developed, would they agree to permit the Pennsylvania Railroad to build a line there if and when necessary. That developed into a situation which, in the opinion of the witness, was clearly a combination against the Pennsylvania Railroad, which culminated in a 3-party plan that was submitted to us, and against which the Pennsylvania interests protested.

The witness further testified that the so-called 3-party plan proposed by the New York Central, the Baltimore & Ohio, and the Nickel Plate contemplated four systems in eastern territory, including the Pennsylvania system, although the latter did not join in proposing it. About that time there was considerable activity in the stock of the Lehigh Valley, and it was the opinion of the Pennsylvania that early purchases of that stock were directly traceable to the New York Central. In the meantime the Baltimore & Ohio and the Nickel Plate were attempting to get control of the Wheeling & Lake Erie and the Western Maryland. L. F. Loree, president of the Delaware & Hudson, also commenced the purchase of Lehigh Valley stock at about the same time, and the Pennsylvania presently learned that Loree had about 30 per cent of that stock and was possibly in position to block any 4-party plan if he chose to do so. Upon the suggestion of Loree that the Pennsylvania should join with the Delaware & Hudson in the purchase of Wabash stock, Atterbury was quite prepared to assent, because he was satisfied that there was no harmonizing of difficulties, and therefore "it would be well for the Pennsylvania Railroad to have in the Delaware & Hudson, as the parent company of a fifth system, a friendly interest rather than the unfriendly interests of the Baltimore & Ohio, the New York Central, and the Van Sweringens." The "Van Sweringens" referred to were in control of the Nickel Plate system. That led to an agreement, dated February 15, 1927, between Loree, representing the Delaware & Hudson, Atterbury, representing the Pennsylvania Co., and Otto H. Kahn, representing Kuhn, Loeb & Co., the intended effect of which was to give the Pennsylvania either a large interest in the Lehigh Valley or a large interest in a "fifth system," which would include the "Delaware & Hudson, Lehigh Valley, Wabash, B., R. & P., and possibly the Pittsburgh & West Virginia and Boston & Maine." It was agreed that the Pennsylvania would put Kuhn, Loeb & Co. in funds to the extent of $25,000,000 to purchase Wabash stock, which the Delaware & Hudson was to take over, giving Delaware & Hudson stock in exchange, if approved by us. Failing such approval, the Delaware & Hudson was to give its Lehigh Valley stock to the Pennsylvania in exchange for the Wabash stock. In the latter event the Pennsylvania was to turn over its Lehigh Valley stock to the new fifth-system corporation, taking its stock in return; and in case of failure of these plans the Pennsylvania would hold its Lehigh Valley stock. In financing the purchase of Wabash stock the Delaware & Hudson was to share equally with the Pennsylvania, the latter providing the first $25,000,000 with the understanding that the Delaware & Hudson would later provide a like amount.

Pursuant to this agreement there was purchased in the name of the Pennsylvania Co. in February and March, 1927, 323,600 shares of Wabash stock, payment for which was not made until December, 1927, when certain interest-bearing securities were sold by it to the Pennsylvania Railroad from the proceeds of which settlement was made. During the period from March 11, 1927, to October 31, 1927, Kuhn, Loeb & Co. purchased for the Delaware & Hudson 217,000 shares of Wabash stock. No further action under the terms of the agreemnt was taken by either of the parties thereto, and, it later appearing that the plans for a fifth system could not be realized, the Delaware & Hudson in April, 1928, sold to the Pennsylvania Co. its holdings of 323,600 shares of Wabash and 304,539 shares of Lehigh Valley. The price paid therefor was a lump sum of $62,500,000.

The witness further testified that the line of the Pennsylvania Railroad from Buffalo to New York is rather circuitous, which prevents successful competition with the other lines running out of Buffalo, and acquisition of the Lehigh Valley would give the Pennsylvania a connection from its line at Sunbury, Pa., into the city of New York, where the terminals of the Lehigh Valley and the Pennsylvania are adjacent. Also by reconstruction of one of the Pennsylvania lines just north of Harrisburg, with small additional new construction, the Pennsylvania could connect with the Lehigh Valley and thus acquire an entrance into the important steel and cement district of central Pennsylvania. Further, he testified, the Pennsylvania is not in control of its passenger facilities at Buffalo and use of the Lehigh Valley station in that city would probably result in economies. Further economies would be realized through the consolidation of adjacent terminals at Greenville, N. J. The acquisition of the Lehigh Valley was regarded as a very important factor in the plans of the Pennsylvania Railroad, which had long hoped that at some time it would acquire a substantial interest in that company.

In reference to the desire to acquire a line along the south shore of Lake Erie, the witness testified that his company had lines ending at Pittsburgh on the south and reaching Detroit, Sandusky, Cleveland, Ashtabula, Erie, and Buffalo on the north. Rates common to all lines are in effect between these points, but the circuity of the routes over the Pennsylvania is such that it renders the traffic expensive and militates against successful solicitation. The line between Chicago and St. Louis is in some respects analogous to the situation along Lake Erie. That is, while the Pennsylvania has a route and rates between Chicago and St. Louis, its line is relatively circuitous and moves relatively little traffic.

The witness testified that in his opinion he could have come to an agrement with other eastern trunk lines on every matter except the construction of a new line along the south shore of Lake Erie. Certain counter proposals were made by such lines which were not acceptable to the Pennsylvania.

Questioned by his counsel, the witness testified that in making the arrangement of February 15, 1927, the Pennsylvania had no thought of influencing competition between the Pennsylvania Railroad and the Wabash or the Lehigh Valley. As a result of the agreement it was expected that the Pennsylvania Railroad would get eventually one of three things—either a large interest in a fifth system that would be friendly to the Pennsylvania, a large interest in the Delaware & Hudson, which had always been a valued connection of the Pennsylvania, or a large interest in the stock of the Lehigh Valley, which had been an objective of the Pennsylvania for many years. In the view of the witness the creation of a fifth system, including the Delaware & Hudson, the Lehigh Valley, and the Wabash, would ultimately be a successful and profitable undertaking. Purchase of the Wabash stock therefore, in his opinion, safeguarded the Pennsylvania in any of the three objectives. Asked by his counsel why in the negotiations pursuant to the agreement of February 15, 1927, and in the later acquisition of Wabash and Lehigh Valley stocks he had acted on behalf of the Pennsylvania Co., the witness replied, "Because it had the credit, it had the finances, it had the power, and I did not have to ask anybody's permission to go ahead and act except the approval of the board of directors."

After the purchases from the Delaware & Hudson, as above detailed, the Pennsylvania company made further purchases of 135,000 shares of Wabash and 60,500 shares of Lehigh Valley, giving it aggregate holdings of 675,800 shares of Wabash and 365,039 shares of Lehigh Valley, which it still has. All of these shares have equal voting rights.

The Lehigh Valley operates through routes from New York and Philadelphia to Buffalo, using the same line between Bethlehem, Pa., and Buffalo, and has several branches serving the anthracite coal districts of eastern Pennsylvania. The Wabash operates lines between Buffalo and Chicago, between Chicago and St. Louis, between Detroit and St. Louis, and between Toledo and St. Louis. It also has lines extending westward from St. Louis and Hannibal, Mo., to Kansas City, Omaha, and Des Moines. The Pennsylvania operates through lines between New York and Chicago, between New York and Buffalo, between New York and St. Louis, between Chicago and St. Louis, and between Detroit-Toledo and St. Louis. It also serves the anthracite coal districts of Pennsylvania, transporting coal therefrom to many territories and destinations, including New York City. Evidence upon the question of competition between the Pennsylvania Railroad and the Lehigh Valley and between the Pennsylvania Railroad and the Wabash was furnished by traffic officials of the Lehigh Valley and the Wabash, respectively. The assistant freight traffic manager of the Lehigh Valley, in preparation for the hearing, had examined the records of all carload shipments of 10,000 pounds or more, 73,005 in number, transported by the Lehigh Valley in the month of April, 1929, that being considered a representative month. The shipments of commodities, except coal, were classified as competitive or as non-

competitive with the Pennsylvania Railroad, considering as competitive all shipments handled by the Lehigh Valley that could have been transported between the same points wholly or partially by the Pennsylvania Railroad. Coal shipments were considered competitive if hauled to markets which could have been supplied with coal from the same or similar districts by the Pennsylvania Railroad. It is well known that the same mine opening, or point for the loading of coal, is seldom served by more than one railroad. The classification of the 73,005 carloads by the witness resulted in a showing of 37,376 carloads of noncompetitive traffic and 35,629 carloads of competitive traffic, the proportions being 51 per cent and 49 per cent, respectively. It should be borne in mind that these figures represent only the traffic which the Lehigh Valley was successful in obtaining and do not include any traffic which the Pennsylvania Railroad obtained, but which the Lehigh Valley could have transported. The Lehigh Valley has 17 junction points or connections with the Pennsylvania Railroad for the transfer of freight traffic, and reaches 13 cities of over 10,000 population, which are also served by the Pennsylvania, including New York City, Rochester, Buffalo, and Elmira, N. Y.; Jersey City and Newark, N. J.; and Hazleton and Wilkes-Barre, Pa. The route of the Pennsylvania between New York and Buffalo is more circuitous than that of the Lehigh Valley, but the Lehigh Valley in connection with the Wabash and other lines reaching the Niagara frontier affords a reasonably direct through route between New York on the east and Detroit and Chicago on the west, in competition with the direct routes of the Pennsylvania Railroad serving those points. The Lehigh Valley also maintains in conjunction with its various connections fast freight trains which compete with the Pennsylvania Railroad on practically similar schedules.

Testimony relating to competition between the Pennsylania Railroad and the Wabash was furnished by the vice president in charge of traffic of the Wabash, who placed in the record extensive tables covering carload shipments for the months of October, 1928, and March, 1929, showing that of 121,106 carloads transported by the Wabash on its lines east of the Mississippi River in those months, 91,202 or 75.31 per cent were competitive with the Pennsylvania Railroad and 29,904 carloads, or 24.69 per cent, were noncompetitive. Extending the comparison to include not only the lines of the Wabash but those of the Ann Arbor and the New Jersey, Indiana & Illinois, which are considered a part of the Wabash system, the number of carloads is increased to 140,455, of which 103,763, or 73.88 per cent, were considered competitive with the Pennsylvania Railroad. Like the Lehigh Valley, the Wabash has fast freight trains which compete with those of the Pennsylvania Railroad, running on substantially the same schedules and affording deliveries at the same time in various markets. The route of the Pennsylvania Railroad between Chicago and St. Louis is more circuitous than that of the Wabash, and no doubt its ability to compete with the more direct lines for traffic between those cities is thereby impaired, but both have direct lines between Lake Erie and St. Louis. It is in evidence that the Wabash, in connection with lines extending between the Niagara frontier and Philadelphia, is even able to compete with the Pennsylvania Railroad for traffic between St. Louis and Philadelphia. The Wabash, the Lehigh Valley, and the Pennsylvania Railroad all have traffic representatives at most of the important cities throughout the country, and there is strong competition for traffic that may move over all the competitive routes in which those carriers participate. The Lehigh Valley is one of the most important connections of the Wabash at the Niagara frontier, the interchange between those carriers at that gateway amounting to 57,137 cars in the year 1929.

Witnesses for the Pennsylvania Railroad had analyzed the statements of competitive and noncompetitive traffic placed in evidence by witnesses for the Lehigh Valley and the Wabash, and criticized them in numerous particulars, taking the position that due to various circumstances, such as the absence of through rates and lack of reciprocal switching arrangements, a considerable proportion of the traffic classified as competitive by witnesses for the Lehigh Valley and the Wabash was not in fact subject to actual competition. It is not apparent, however, that the existence of these circumstances would justify a rejection of the classifications by witnesses for the Lehigh Valley and the Wabash, as it is necessary to assume that the present arrangements for the interchange and movement of traffic are subject to change; and the mere presence of the lines of the Lehigh Valley and the Wabash in the territory and in close proximity to the points served by the Pennsylvania, with the possibility of the establishment of proper connections and arrangements for the handling of traffic, must have an influence upon the service and rates of all carriers serving the same territory.

Moreover, after excluding all traffic thus questioned, there was left a large volume to which no exception was taken by the respondents. Question was also raised as to the propriety of regarding as competitive traffic such shipments of coal and other commodities as are considered subject to "market" competition. However, adopting the often-used definition of competition as a "striving for the same thing," there would be no ground for classifying as noncompetitive such shipments, for example, as coal from the anthracite districts of Pennsylvania to New York City. It is clear that the service of transporting necessary commodities to a market served by more than one railroad is a "thing" of great value to the carriers, and it is well known that there is much strife between them for the opportunity to furnish this service, and that this rivalry has a direct influence on service and rates. While not admitting on the record the allegations of the complaint as to the existence of competition, the respondents have not denied them. They do deny the allegation that the effect of the acquisitions of stock may be to substantially lessen competition between the Pennsylvania Railroad and the Lehigh Valley or the Wabash, and this contention will be considered later. The record shows that there is substantial competition between the Pennsylvania Railroad and the Lehigh Valley, and between the Pennsylvania Railroad and the Wabash, and we so find.

In addition to the denials that the Pennsylvania Railroad indirectly acquired the capital stocks of the Lehigh Valley and the Wabash, and that the effect of such acquisitions may be to substantially lessen competition between the Pennsylvania Railroad and the carriers whose stocks it is alleged to have acquired, respondents further contend that the acquisitions were "solely for investment" within the meaning of the third paragraph of section 7 of the Clayton Act. For convenience the first three paragraphs of the section are here quoted:

"That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

"No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

"This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition."

Three controlling issues are thus presented, which will be dealt with in order.

1. *Were the Lehigh Valley and Wabash stocks acquired, either directly or indirectly, by the Pennsylvania Railroad?*

The president of the Pennsylvania Railroad and of the Pennsylvania Co., testified that the latter "is a company which makes investments either directly or indirectly in the interest of the Pennsylvania Railroad." This authoritative and succinct statement of the present function of the Pennsylvania Co. is supplemented by much evidence relating to the history of the Pennsylvania Co., the relation of its corporate acts to the business of the parent company, and other circumstances tending further to establish the identity of interest of the corporations. Extracts from the reports of the directors of the Pennsylvania Railroad to the company's stockholders were submitted in evidence showing that in the year 1870 the Pennsylvania lines west of Pittsburgh, which had theretofore been operated by the Pennsylvania Railroad, were placed under the direct management of a new corporation known as the "Pennsylvania Co.," established and controlled by the Pennsylvania Railroad. Following is an extract from the annual report to the stockholders for that year:

"With a view to give greater simplicity and efficiency to the management of this large western interest, and as far as practicable return to our former policy, a charter was obtained from the Commonwealth of Pennsylvania incorporating the 'Pennsylvania Co.,' to which all the interests above mentioned of the Pennsylvania Railroad Co. will be transferred on the 1st of March next, and $8,000,000 of the preferred capital stock of the Pennsylvania Co. received therefor, which amount covers fully all of our expenditures in this connection."

In 1874 the Pennsylvania Railroad acquired more complete control of the Pennsylvania Co., the report for that year stating:

"Your company being the owner of $8,000,000 of preferred stock of the Pennsylvania Co., it was deemed wise by your board to purchase the remaining stock, which had been issued at par to the Union Railroad & Transportation Co. in purchase of their car equipment at its appraised value, and an arrangement was finally consummated by which the holders thereof should receive bonds of the Pittsburgh, Cincinnati & St. Louis Railroad Co., owned by your company, in exchange for their stock, par for par. Nearly all these stockholders have accepted this arrangement, and it is presumed the owners of the few shares still outstanding will do so, thus giving your company the entire control of the stock and placing them in condition to carry out any policy that may be found best for your interests."

In the year 1906 the Pennsylvania Railroad used the Pennsylvania Co. in financing certain expenditures, the transactions closely remembling in character those dealt with in the present

proceeding. The report to stockholders for that year contains the following:

"In order to temporarily provide the capital needed for the heavy expenditures made during the past year upon your lines east of Pittsburgh and Erie, it was deemed wise to utilize the powers of the Pennsylvania Co. and thus make it further available for the purposes of its organization. To this end that company made an issue May 1, 1906, of $50,000,000 of its 4½ per cent 18-month collateral notes, guaranteed by your company. The proceeds of these notes were placed to your credit, and the Pennsylvania Co. has been reimbursed for these advances largely through the sale of the securities heretofore held in your treasury."

According to the report for the year 1917, the Pennsylvania Railroad in that year took steps to resume the operation of the system lines west of Pittsburgh, the report referring to the arrangement in the following language:

"To effect a closer unity your company entered into an agreement to take over the leases, business, and assets of the Pennsylvania Co. and assume its obligations, liabilities, and duties to the lines and properties in which it had an interest. This agreement is to become effective as of January 1, 1918, or such later date as may be agreed upon, so as to meet all legal requirements, and adjust any other necessary features between both companies. The Pennsylvania Co. was created to promote and operate various lines west of Pittsburgh in the general interest of your company, which owns the entire capital stock of the Pennsylvania Co. and guarantees the payment of its outstanding bonds. This further unification is in pursuance of the policy followed by your company of eliminating corporations which are no longer necessary, and will give the lines west of Pittsburgh the direct strength and credit of the parent company and bring about beneficial economies."

Thereafter, it appears, the function of the Pennsylvania Co. was that of an investment company doing business as a separate corporation in the interest of the parent company. Previous to the present acquisitions, however, the Pennsylvania Co.'s holdings of securities have been practically confined to those of subsidiaries of the Pennsylvania Railroad.

In support of the allegation that the Pennsylvania Railroad indirectly acquired the capital stock of the Lehigh Valley and of the Wabash, although title to such stocks was taken by the Pennsylvania Co., numerous court decisions are referred to in the record, tending to support the contention that although ownership of capital stock of one corporation by another may not alone create an identity of corporate interest, it has been repeatedly held that such findings were not applicable where stock ownership has been resorted to, not for the purpose of participating in the affairs of a corporation in the normal and usual manner, but for the purpose of controlling a subsidiary company, so that it may be used as "a mere agent or instrumentality or department" of the controlling company; the courts in such cases dealing with the substance of the transactions as if the separate corporate agency did not exist and as the justice of the case might require. Among the cases cited are United States *v.* Lehigh Valley Railroad Co., 220 U. S. 257, 273; United States *v.* Delaware, Lackawanna & Western Railroad Co., 238 U. S. 516; Chicago, Minneapolis & St. Paul Railway *v.* Minneapolis Civic and Commerce Association, 247 U. S. 490, 501; United States *v.* Lehigh Valley Railroad Co., 254 U. S. 255; United States *v.* Reading Co., 253 U. S. 26, 62, 63. It was held in United States *v.* United Shoe Machinery Co., 234 Fed. 127, 141, 142, in substance, that whatever may have been the views of the courts in the early days of corporate existence, courts now will look behind the corporate fiction, and if it clearly appears that one corporation is merely the creature of another, the latter holding all the stock of the former, thereby controlling it as effectively as it does itself, it will be treated as the practical owner of the corporation when necessary for the purpose of doing justice.

Cases were also cited in which the Pennsylvania Railroad itself was involved, and in which the corporate distinction between that company and various subsidiary and controlled corporations was disregarded in the interest of justice. One of these, arising in 1885, involved the relations between the Pennsylvania Railroad and the Pennsylvania Co. The constitution of Pennsylvania provided, in substance, that no railroad corporation should acquire control of any other railroad corporation owning or having under its control a parallel or competing line. A new line in Pennsylvania had been proposed and partly constructed which, with connections, would parallel and compete with a line of the Pennsylvania Railroad. The president of the Pennsylvania Railroad, George B. Roberts, and two vice presidents entered into negotiations with a New York banker, as a result of which a proposal was made by Roberts, as president of the Pennsylvania Co., then an operating railroad company, that the banker should procure "securities and contracts and control" of the constructing company, in payment for which the Pennsylvania Co. would deliver certain securities guaranteed by the Pennsylvania Railroad. Suit was brought to enjoin the execution of this agreement, and the Supreme Court of Pennsylvania, in Pennsylvania R. Co. et al. *v.* Commonwealth (7 Atl. (Pa.) 368), affirmed the decree of the lower court granting the injunction. After reciting the facts showing that the Pennsylvania Co. was used through considerations of legality and policy which militated against direct acquisition by the Pennsylvania Railroad, the court said, in part:

"In view of this plain and candid statement of the real facts of the case by the parties themselves, it is impossible, as we have already said, to draw any other inference than that the real party contracting and stipulating for the control of the South Pennsylvania Railroad Co. was the Pennsylvania Railroad Co., and that any title to any stock or securities intended to be held in the name of the Pennsylvania Co. was to be a mere naked legal title, to be held in trust. In other words, that the Pennsylvania Railroad Co. intended to do in fact what it was forbidden by law to do, and therefore attempted to give the transaction the appearance, in the eye of the law, of being other than it really was. This, of course, can not avail in a court of equity which looks at substance, without being controlled by form."

The president of the corporations testified that he had acted on behalf of the Pennsylvania Co. instead of the Pennsylvania Railroad in entering into the agreement with the Delaware & Hudson for the purchase of Lehigh Valley and Wabash stocks for the reason that it (the Pennsylvania Co.) had the credit, the finances, and the power, and that he "did not have to ask anybody's permission to go ahead and act except the approval of the directors." His reference to the ability to proceed without obtaining permission is understood to relate to the provisions of section 5 (2) of the act requiring that railroad companies subject to the act shall secure our approval before acquiring control of another like carrier. However, the fact that the corporate machinery of the Pennsylvania Co. was used in financing these purchases of stock and in taking title thereto does not obscure the fact that all of these transactions were directly and solely in the interest of the parent company, the Pennsylvania Railroad. The only objective was the "protection" and upbuilding of the transportation system. This is so clearly established by the testimony of the same witness previously recited that further discussion of the matter is deemed unnecessary.

In support of their contention that the acquisitions of stock were not either directly or indirectly those of the Pennsylvania Railroad, respondents rely largely upon the decision of the Supreme Court in United States *v.* Delaware & Hudson Co. (213 U. S. 366). That case involved the construction of the so-called commodities clause of the act as applied to the transportation of coal mined by a corporation the capital stock of which was owned by the Delaware & Hudson Co.; that clause prohibiting among other things, the transportation in interstate commerce by a railroad company of any article or commodity other than timber and the manufactured products thereof in which the railroad company might have "any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier." The court held that the mere ownership of stock in the subsidiary corporation did not bring the case within the commodities clause, referring to the fact that amendments in specific terms causing the clause to embrace stock ownership had been rejected by the Senate, and the court held that these considerations disposed of the contention that stock ownership must have been in the mind of Congress in framing the legislation. This decision, however, was modified by the later decision in United States *v.* Lehigh Valley Railroad Co. (220 U. S. 257), construing the commodities clause as applied to the transportation of coal produced by a subsidiary mining company of the Lehigh Valley, in which the court, while in substance affirming its finding in the previous case, held further that under the different circumstances of the later case the transportation fell within the prohibitions of the commodities clause. The court said:

"Our duty is to enforce the statute, and not to exclude from its prohibitions things which are properly embraced within them. Coming to discharge this duty it follows, in view of the express prohibitions of the commodities clause, it must be held that while the right of a railroad company as a stockholder to use its stock ownership for the purpose of a bona fide separate administration of the affairs of a corporation in which it has a stock interest may not be denied, the use of such stock ownership in substance for the purpose of destroying the entity of a producing, etc., corporation and of commingling its affairs in administration with the affairs of the railroad company, so as to make the two corporations virtually one, brings the railroad company so voluntarily acting as to such producing, etc., corporation within the prohibitions of the commodities clause. In other words, that by operation and effect of the commodities clause there is a duty cast upon a railroad company proposing to carry in interstate commerce the product of a producing, etc., corporation in which it has a stock interest not to abuse such power so as virtually to do by indirection that which the commodities clause prohibits, a duty which plainly would be violated by the unnecessary commingling of the affairs of the producing company with its own, so as to cause them to be one and inseparable."

The doctrine laid down by the Supreme Court in the Delaware & Hudson case was still further modified in the more recent decisions in the Delaware, Lackawanna & Western Case, supra, the Reading Case, supra, and the later Lehigh Valley Case, supra, the court using the language preceding our previous citation of those cases.

Counsel for the respondents further insist that no relationship of agency has been shown between the Pennsylvania Railroad and the Pennsylvania Company in the transactions under consideration. Pursuing this theory to its logical conclusion, we must find that the officials of the Pennsylvania Company acted without authority; for the only authority to which they were responsible was the sole stockholder, the Pennsylvania Railroad, acting through the board of directors of the Pennsylvania Company. Giving full play to the theory of separate identity of these corporations, respondents would presumably contend that in order to establish the agency relationship the directors of the Pennsylvania Railroad, by virtue of their stock control, should

have instructed themselves, as directors of the Pennsylvania Company, to cause the purchases desired. That they did not resort to these formalities is perhaps to their credit, provided the omission is not used to defeat the intent of Congress. The outstanding facts remain that the purchases were for the sole benefit of the Pennsylvania Railroad; that the Pennsylvania Railroad was in complete control of the Pennsylvania Company; that the power to act for both corporations resided in the same individuals; and that the acquired stocks are held in the name of the Pennsylvania Company for the benefit of the Pennsylvania Railroad. If these facts do not establish an implied agency, the alternative deduction must be that the relationship is still closer than that of principal and agent, the Pennsylvania Company being, in the language of the court, a mere "department" of the Pennsylvania Railroad. Under these circumstances it must be held that, giving all possible recognition to the separate incorporation of the Pennsylvania Company, the stocks, if not directly acquired, were indirectly acquired by the Pennsylvania Railroad, within the meaning of the statute.

2. *May the effect of the acquisitions of Lehigh Valley and Wabash stocks be to substantially lessen competition between the Pennsylvania Railroad and either or both of the carriers whose stocks were acquired or to restrain commerce in any section or community?*

The language of the statute, "where the effect of such acquisition may be to substantially lessen competition," as commonly used and understood, would include the mere possibility of such effect, and this understanding is supported by standard dictionaries. (Webster's New International Dictionary gives, among others, the following definition of the word "may": Liberty; opportunity; permission; possibility, as, he may go; you may be right. Also Funk & Wagnall's New Standard Dictionary: To be contingently possible; as, it may be; you may get off, although you do not deserve it.) We should be content to rest upon this usual and authorized understanding, but counsel for respondents insist that the burden is upon the Government to establish the probability of substantial lessening of competition and that it is insufficient to show merely the possibility of such lessening. In support of this position they rely very largely upon two decisions of the Supreme Court, which will be hereafter discussed; but they also claim that their construction is supported by the debates in Congress preceding the passage of the Clayton Act, although not admitting the value of such debates in construing statutes, citing U. S. *v.* Trans-Missouri Freight Association (166 U. S. 290), in which the court said:

"The reason is that it is impossible to determine with certainty what construction was put upon an act by the members of the legislative body that passed it by resorting to the speeches of individual members thereof. Those who did not speak may not have agreed with those who did; and those who spoke might differ from each other; the result being that the only proper way to construe a legislative act is from the language used in the act, and, upon occasion, by a resort to the history of the times when it was passed."

The same court, however, in later decisions has greatly modified this doctrine by construction. For example, in U. S. *v.* St. Paul, M. & M. Ry. Co. (247 U. S. 310), the court said:

"But the reports of a committee, including the bill as introduced, changes made in the frame of the bill in the course of its passage, and statements made by the committee chairman in charge of it, stand upon a different footing, and may be resorted to under proper qualifications."

And in R. R. Commission of Wisconsin *v.* C., B. & Q. R. R. Co. (257 U. S. 563):

"Committee reports and explanatory statements of members in charge made in presenting a bill for passage have been held to be a legitimate aid to the interpretation of a statute where its language is doubtful or obscure. Duplex Printing Press Co. *v.* Deering (245 U. S. 443, 475). But when taking the act as a whole the effect of the language used is clear to the court; extraneous aid like this can not control the interpretation. Pennsylvania R. R. Co. *v.* International Coal Mining Co. (230 U. S. 184, 198). Caminetti *v.* United States (242 U. S. 470, 490). Such aids are only admissible to solve doubt and not to create it."

Bearing these restrictions in mind, we have carefully examined the committee reports and explanatory statements in both the House of Representatives and the Senate, from the introduction of H. R. 15657, which finally became the Clayton Act, until its passage. The bill was introduced in the House on May 6, 1914, having been prepared by a subcommittee of the House Committee on the Judiciary. The first paragraph of section 8 (now sec. 7) in the original bill read as follows:

"That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition *is* to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly in any line of trade in any section or community." (Italics ours.)

The provisions of this paragraph were sharply criticized on the ground that under the language used it would be necessary in order to prove a violation of law, to show that competition had in fact been substantially lessened through a stock acquisition, and it was strongly urged that such proof would often be impracticable. The language in this particular, was, however, retained without change, until, during the consideration of the bill in the Senate, Senator REED, a member of the committee in charge, on August 31, 1914, offered an amendment striking out the word "is" and inserting in place thereof the words "may be," saying:

"My reason for offering the amendment is this: The law, as I understand it, is that a combination is illegal where the effect may be as well as where it is. I understand that the chairman of the committee is prepared to accept the amendment." (1914 CONGRESSIONAL RECORD, vol. 51, pt. 14, p. 14464.)

The amendment was thereupon adopted, without objection. Similar language in the second paragraph of the section, relating to acquisitions of stock of two or more competing corporations, was at the same time amended in like manner. As thus amended, the bill was considered in conference, and the amendments were included in the conference bill as reported. In the debate in the Senate upon the conference bill, Senator Chilton, one of the conferees, referred to the amendments, as follows:

"The conferees had to find some common ground upon which their minds could meet, and the result was a compromise, which is section 7 in the bill reported by the conferees. That compromise was the adoption of the words 'may be' instead of the word 'is,' so that instead of reading 'where the effect is,' the bill now reads, 'where the effect may be'; that is, where it is possible for the effect to be, which was a decided victory for the Senate." (1914 CONGRESSIONAL RECORD, vol. 51, pt. 16, p. 16002.)

We have found nothing to support a contrary view of the intent of Congress.

The Supreme Court decisions relied upon by respondents are Standard Co. *v.* Magrane-Houston Co. (258 U. S. 346), and the recent case of International Shoe Co. *v.* Federal Trade Commission (280 U. S. 291). These cases arose under section 3 of the Clayton Act which, among other things, makes unlawful the fixing of prices and the making of contracts restricting sales where the effect of such acts "may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

The facts in the first case were substantially as follows: The Standard Fashion Co. was a New York corporation engaged in the manufacture and distribution of patterns. The Magrane-Houston Co. conducted a retail drygoods business in Boston. These companies entered into a contract whereby the Standard Co. granted to the Magrane-Houston Co. an agency for the sale of patterns manufactured by the former company for a term of years. Among the conditions of the contract was one providing that the Magrane-Houston Co. should not sell or permit to be sold on its premises any other make of patterns, and not to sell Standard patterns except at label prices. The Magrane-Houston Co., notwithstanding the provisions of this contract, discontinued the sale of patterns of the Standard Fashion Co. and placed on sale in its store the patterns of a rival company. The Standard Fashion Company thereupon brought suit to enjoin the Magrane-Houston Co. from violating its contract. The bill was dismissed by the District Court and the decree was affirmed by the Circuit Court of Appeals. The case was carried to the Supreme Court by writ of certiorari. The Supreme Court stated the issue thus:

"Does the contract of sale come within the third section of the Clayton Act because the covenant not to sell the patterns of others 'may be to substantially lessen competition or tend to create a monopoly'?"

In reviewing the prior proceedings the court said, among other things:

"Both courts below found that the contract interpreted in the light of the circumstances surrounding the making of it was within the provisions of the Clayton Act as one which substantially lessened competition and tended to create monopoly. These courts put special stress upon the fact found that, of 52,000 so-called pattern agencies in the entire country, the petitioner, or a holding company controlling it and two other pattern companies, approximately controlled two-fifths of such agencies."

The court affirmed the decisions of the lower courts, holding that the contract was within the provisions of section 3 of the Clayton Act, saying:

"Section 3 condemns sales or agreements where the effect of such sale or contract of sale "may" be to substantially lessen competition or tend to create monopoly. It thus deals with consequences to follow the making of the restrictive covenant limiting the right of the purchaser to deal in the goods of the seller only, but we do not think that the purpose in using the word "may" was to prohibit the mere possibility of the consequences described. It was intended to prevent such agreement as would under the circumstances disclosed probably lessen competition or create an actual tendency to monopoly. That it was not intended to reach every remote lessening of competition is shown in the requirement that such lessening must be substantial."

It is upon the use of the world "probably" in the preceding quotation that respondents principally rely. However, what the court would have done in applying the Clayton Act in the circumstances now before us is to be inferred not so much from what was said in the Magrane-Houston case as from what it there did. So far as the opinion shows, there was no evidence of specific injury through the operation of the contract under review. As was said in argument:

"There was no testimony showing that any deception, misrepresentation, or oppression had been practiced; no complaint of any competitor or other person of any unfairness; nor any suggestion that the public had suffered injury or that competitors had reasonable ground for complaint."

The decision apparently rested entirely upon the nature of the contract itself. This is evidenced by the following language, quoted with approval from the decision of the court below:

"The restriction of each merchant to one pattern manufacturer must in hundreds, perhaps in thousands, of small communities amount to giving such single pattern manufacturer a monopoly of the business in such community. Even in larger cities to limit to a single pattern maker the pattern business of dealers most resorted to by customers whose purchases tend to give fashions their vogue may tend to facilitate further combinations, so that the plaintiff, or some other aggressive concern, instead of controling two-fifths, will shortly have almost, if not quite, all the pattern business."

And the court concluded by saying:

"We agree with these conclusions, and have no doubt that the contract, properly interpreted, with its restrictive covenant, brings it fairly within the section of the Clayton Act under consideration."

There is in this language no room for an assumption that the court would have been moved from its position by such representations regarding the intentions of the parties as are relied upon in this proceeding.

In the International Shoe Co. Case, decided January 6, 1930, the shoe company, in May, 1921, acquired all or substantially all of the capital stock of W. H. McElwain Co., both companies being engaged in the manufacture and distribution of shoes. Upon hearing, the Federal Trade Commission found that the companies were in substantial competition and that the effect of the acquisition of stock by the International Co. was to substantially lessen competition and to restrain commerce. Thereupon, it ordered the International Co. to divest itself of all capital stock of the McElwain Co. The decision was appealed to the Circuit Court of Appeals, thence to the Supreme Court, where the judgment was reversed. The order of the commission was assailed upon two grounds: First, that there never had been substantial competition between the two corporations and therefore there could be no foundation for the charge of substantial lessening of competition. Second, that the financial condition of the McElwain Co. was such as to necessitate liquidation or sale and therefore the prospect for future competition or restraint was entirely eliminated. The court reviewed the evidence relating to the character of shoes manufactured by each company, the territory of distribution of the products, and the relative sales, and reached the following conclusion:

"It is plain from the foregoing that the product of the two companies here in question, because of the difference in appearance and workmanship, appealed to the tastes of entirely different classes of consumers; that while a portion of the product of both companies went into the same States in the main the product of each was in fact sold to a different class of dealers and found its way into distinctly separate markets."

In deciding the case against the commission the court said, citing Standard Fashion Co. *v.* Magrane-Houston Co., supra, that—

"Mere acquisition by one corporation of the stock of a competitor, even though it resulted in some lessening of competition, is not forbidden; the act deals only with such acquisitions as will probably result in lessening competition to a substantial degree."

There is no discussion in this decision of the distinction between the possibility and the probability of results, but, so far as the opinion shows, the only question in the mind of the court was as to whether the lessening of competition would be "substantial" within the meaning of the statute; and it reached the conclusion that the competition, whether possible or probable, was not of sufficient importance to bring the case within the Clayton Act.

Assuming, though not admitting, that respondents have legal ground for their contention that the law requires the showing of probability of substantial lessening of competition, the record seems ample to meet the additional test. As already stated, the president of the company testified that in acquiring the stocks there was no thought of suppressing competition, and it is urged by respondents upon the evidence of their witnesses that no steps have been taken as the result of the stock acquisitions to change the previous practices in the solicitation of traffic for the respective lines. It was in fact testified that if there has been any change it has been in the direction of increased effort on the part of the respective companies to secure traffic during recent months. Presumably, however, this intensity of effort is due to the general decrease in available traffic rather than to any change in policy. It is obvious that the ultimate effects of the acquisition of control through stock are not to be judged by immediate developments. According to the testimony of respondents' principal witness the predominant purpose of the Pennsylvania Railroad in acquiring the stocks of the Lehigh Valley and the Wabash was to secure such influence in the management of those companies as to insure their cooperation, if not the actual use of their facilities, in improving the routes of the Pennsylvania Railroad between certain important gateways, particularly New York, Buffalo, Chicago, and St. Louis. According to the record nearly one-half of the outstanding stock of both the Lehigh Valley and the Wabash is now held by the Pennsylvania Co. or under its control. Exhibits from annual reports to us show that, apart from these holdings, the stocks of both companies are widely scattered. Reports of stockholders' meetings of the Lehigh Valley and the Wabash held during the past five years show that the present holdings of the Pennsylvania interests would in every case have constituted more, and in some cases much more, than 50 per cent of the total stock voted at those meetings. In our decision in Interstate Commerce Commission *v.* Baltimore & Ohio R. Co. (160 I. C. C. 785), in which we considered the effect of the acquisition of a controlling proportion of stock of the Western Maryland by the Baltimore & Ohio, we said:

"Since the admitted purpose of the acquisitions of stock, so far as they may be made to contribute to that purpose, was to unify operations and policies of the respondent and the Western Maryland, it necessarily follows that the accomplishment of the purpose would completely eliminate both the actual and the potential competition that existed prior to the acquisitions of the stock by respondent and any that may exist now."

And in Interstate Commerce Commission *v.* Baltimore & Ohio Railroad Co. (152 I. C. C. 721), in which we dealt with acquisitions of stock of the Wheeling & Lake Erie Railway Co. by certain trunk lines, we said:

"As a result of our consideration of the evidence before us and of the true construction of the statute, it is necessary to conclude that with the acquisition of a majority of the voting stock of the Wheeling, the substantial lessening of competition between the Wheeling and the respondents was not merely probable but was, in fact, accomplished. Assuming that it would be possible for a controlling carrier or carriers to provide such routing of traffic, service, and rates for a controlled carrier as to enable it to maintain or even increase its volume of business, such a result would not be due to competition, which necessarily ceases with the acquisition of control. An appearance of strife for traffic might even be continued, but it would not be the competition meant by the statute. We find it impossible to accept the theory that Congress intended that acquisition of absolute control of one corporation engaged in commerce by one or more other corporations engaged in like commerce in the same territory could be regarded otherwise than as a substantial lessening of competition. To require us to rely upon declarations of intention, counterinfluences, or other hypotheses as evidence that acquisition of control by one competitor of another would not have its usual and natural effect, would be to establish an unworkable rule necessarily resulting in ineffective administration of the law."

Where parallel lines are under common control it is a necessary assumption that the controlling corporation will not resort to reductions in rates or additionally expensive service in order to divert traffic from one line to the other, or suffer it to be done. Our conclusion as to the effect upon competition of the acquisition of control of one competing carrier by another is fully supported by the decision of the Supreme Court in the Northern Securities case (193 U. S. 197), in which the court said, speaking of common control through a holding company:

"Necessarily by this combination or arrangement the holding company dominates the situation in the interest of those who were stockholders of the constituent companies; as much so, for every practical purpose, as if it had been itself a railroad corporation which had built, owned, and operated both lines for the exclusive benefit of its stockholders. Necessarily, also, the constituent companies ceased, under such a combination, to be in active competition for trade and commerce along their respective lines, and have become, practically, one powerful consolidated corporation, the principal, if not the sole, object for the formation of which was to carry out the purpose of the original combination under which competition between the constituent companies would cease."

3. *Were the acquisitions of stock within the exception applicable to corporations purchasing stock "solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition"?*

In supporting the affirmative of this question the respondents devoted much effort and brought to the witness stand three specialists of note, representing, respectively, the fields of economics, accounting, and finance, who, after exhaustive consideration of the subject, severally reached the conclusion that the purchases of stock here under consideration might properly be denominated "investments." There can be no question that the word "investment" is one of broad application, including in its various uses purchases of practically every kind and description and for every purpose. For example, the purchase of an adjoining lot or farm to prevent its falling into the hands of an undesirable neighbor might be termed an "investment," although from the standpoint of financial profit the acquisition of the property might have no advantages but, on the contrary, result in inevitable loss. The question at issue here, as we apprehend it, is, What does the word and the connected expression mean, as used in the third paragraph of section 7? What was the intent of Congress?

Respondents take the position, in effect, that as the acquisitions of stock were an investment, and as it has not been shown that the stocks acquired have been used by voting or otherwise in the substantial lessening of competition, the purchases fall within the exception. As we have already seen, section 7 as originally proposed and framed apparently contemplated the determination by an administrative body of the actual effect of the acquisition of stock of a competing corporation in testing the question as to whether the acquisition was in violation of the law. After full discussion of this proposal in Congress, the idea was rejected as impracticable, and in lieu thereof the section was so amended as to require that in order to establish a violation of the act it was necessary to show only that an acquisition gave the power to substantially lessen competition. The construction of the third paragraph now insisted upon by respondents would be wholly out of harmony with the controlling provisions of the section as it now stands, and the fact that this paragraph was not amended at

the time is evidence that Congress deemed such amendment unnecessary. The reasonable construction of the language of the third paragraph fully sustains this hypothesis. It is noted that following the words "solely for investment," which apparently expressed the predominant thought of Congress, the conjunctive "and" was used, followed by the explanatory specification, "not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition." That the description "solely for investment" was deemed controlling is indicated by the reference to this provision in the committee reports and debates in Congress. For example, one of the minority reports upon the original bill refers to the exceptions as follows:

"There are various exceptions mentioned in the bill, such as the acquisition of stock *solely for investment;* the holding of stock of subsidiaries formed for carrying out the lawful business of the corporation or legitimate branches thereof; excepting also the acquisition by railroads of stock in an independent railroad where there is no substantial competition." (Italics ours.)

The construction contended for by respondents would require us to subordinate the expression "solely for investment" to the remainder of the sentence or to ignore it entirely. What Congress had in mind in including the exception in the act as passed is clearly indicated by the reports of the debate. It had been proposed to eliminate the paragraph entirely, but it was pointed out that many corporations, such as savings banks, etc., invest in the securities of public-utility corporations, some of which may be in competition, and this consideration apparently prevailed.

The success of respondents' contention would have the result of practically nullifying the section as a whole, since it would be exceedingly difficult to establish by proof that competition had been substantially lessened by reason of specific acts in the use of stocks. As we said in a previous decision, 160 I. C. C. 792, supra:

"Although section 7 provides that it 'shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition,' this exemption may not be so construed as to destroy the effect of the section as a whole. Clearly it has no application to the acquisition of a controlling interest under the circumstances disclosed by this record."

The purchases of Lehigh Valley and Wabash stocks by the Pennsylvania gave no indication of direct financial profit at the time the purchases were made. Computations made by our bureau of inquiry and presented in its brief, the correctness of which has not been questioned by respondents, indicate that up to April 30, 1930, the cost to the Pennsylvania in interest paid and in interest lost on securities sold to finance the purchases amounted to about $9,072,006.25, which exceeds by $2,590,694.29 the amount of the dividends received on the stock acquired. It should be noted that the common stock of the Wabash acquired by the Pennsylvania, amounting to $36,290,000, par value, had never paid a dividend. We find that the purchases of stock here in question were not made solely for investment, within the meaning of the Clayton Act.

According to the testimony of the president of the Pennsylvania corporations, the principal purpose of the acquisitions of the Lehigh Valley and Wabash stocks was to secure interests in important lines needed by the Pennsylvania Railroad to round out its transportation system—the same properties being under consideration for other disposition in developing transportation systems in eastern territory. However, we are unable to attach weight to this fact. Whether the purchases were made primarily for the suppression of competition or whether that effect would follow merely as an incident to the accomplishment of the larger purpose is a question which we have no right to consider in applying the law to the facts. While it is true that the transportation act, 1920, marked a substantial departure from previous governmental policy in the matter of competition between railroad companies, we are unable to close our eyes to the fact that Congress required that in the administration of that act competition should be preserved as fully as possible, and to that end it left the Clayton Act in full force and effect, providing, however, in section 5 (8) of the interstate commerce act that its operation might be suspended by us in order to authorize acquisitions of control of one carrier by another where, in our judgment, such acquisition would be in the public interest. The respondents, in full knowledge of these provisions, have proceeded without coming to us for such authority.

The motion in behalf of the Pennsylvania Co. to dismiss the complaint as to that respondent for want of jurisdiction will be denied. Although it is clear that the Pennsylvania Co. acted solely in behalf of the Pennsylvania Railroad in these transactions, and that the two corporations together constituted but a single party in interest, we assume that the former holds legal title, as a corporation, to the acquired stocks, and must, as a separate legal entity, take part in the divestment which we shall order. That these acquisitions of stock are within the intended prohibitions of the law we have no doubt.

We find that the Pennsylvania Railroad Co., the Lehigh Valley Railroad Co., and the Wabash Railway Co. are corporations engaged in commerce within the meaning of section 7 of the Clayton Antitrust Act; that the Pennsylvania Railroad Co., through the use and instrumentality of its subsidiary and controlled corporation, the Pennsylvania Co., acquired capital stocks of the Lehigh Valley Railroad Co. and of the Wabash Railway Co., as more particularly set forth in this report and in the evidence in this proceeding; that the effect of such acquisitions may be to substantially lessen competition between the Pennsylvania Railroad Co. and the Lehigh Valley Railroad Co. and between the Pennsylvania Railroad Co. and the Wabash Railway Co. and to restrain commerce of the Lehigh Valley Railroad Co. and the Wabash Railway Co.; and that such acquisitions are in violation of said section and act. An order will be entered requiring the respondents to cease and desist from such violations and to divest themselves of the stocks so acquired. The order will provide, following the requirement approved by the Supreme Court in Federal Trade Commission *v.* Western Meat Co., 272 U. S. 554, that in such divestment no stock of the Lehigh Valley Railroad Co. or of the Wabash Railway Co. shall be sold or transferred, directly or indirectly, to any stockholder, officer, director, employee, or agent of, or anyone otherwise directly or indirectly connected with or under the control or influence of the Pennsylvania Railroad Co. or any of its officers, directors, or stockholders, or the officers, directors, or stockholders or any of its subsidiaries or affiliated companies.

Commissioner Aitchison dissents.

ORDER

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 2d day of December, A. D. 1930

NO. 22260—INTERSTATE COMMERCE COMMISSION *v.* PENNSYLVANIA RAILROAD CO. AND PENNSYLVANIA CO.

This case being at issue upon complaint and answers on file, and having been duly heard and submitted by the parties, and full investigation of the matters and things involved having been had, and this commission having, on the date hereof, made and filed a report containing its findings of fact and conclusions thereon, which said report is hereby referred to and made a part hereof:

It is ordered, That the above-named respondents be, and they are hereby, notified and required to cease and desist from their violations of law as found and described in said report.

It is further ordered, That said respondents be, and they are hereby, notified and required to divest themselves of all capital stock of the Lehigh Valley Railroad Co. and of the Wabash Railway Co. within six months from the date hereof: *Provided,* That, in such divestment, no stock of the Lehigh Valley Railroad Co. or of the Wabash Railway Co. shall be sold or transferred, directly or indirectly, to any stockholder, officer, director, employee, or agent of, or anyone otherwise directly or indirectly connected with, or under the control or influence of, the Pennsylvania Railroad Co. or any of its officers, directors, or stockholders, or the officers, directors, or stockholders of any of its subsidiaries or affiliated companies.

It is further ordered, That said respondents shall report to this commission the manner of such divestment within 15 days after the completion thereof.

And it is further ordered, That the motion filed in said proceeding in behalf of the Pennsylvania Co. seeking dismissal of the complaint as to said respondent be, and it is hereby, denied.

By the commission.

[SEAL.] GEORGE B. MCGINTY, *Secretary.*

RELIEF OF UNEMPLOYMENT

Mr. WAGNER. Mr. President, I ask uuanimous consent to have printed in the RECORD an article by Prof. Paul H. Douglas on the subject "Connecting Men and Jobs," which appeared in this month's Survey.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONNECTING MEN AND JOBS

By Paul H. Douglas

The only permanent gain in our collective dealing with unemployment which resulted from the depressions of 1914-15 and 1920-21 was the improvement of our employment statistics. There is some hope that out of the present depression may come an adequate system of public employment offices. For over a generation those who have given constructive thought to unemployment have realized that a coordinated and efficient system of employment offices was the first step in any real attack by society and government upon the problem. This is what lies back of the experiment with the new set-up in New York and the statewide inquiry going forward in Illinois. Nationally, this effort comes to focus in the battle over the Wagner bill in the present session of Congress.

In the last two decades other nations have been making progress along this line, while our public employment service has, on the whole, been on the down grade. In 1911 the total placements by the public employment offices of other countries amounted to approximately 3,000,000, while by 1921 this number had increased to about 8,400,000. In 1927 the placements by the same 4,700 public offices abroad had risen to approximately 17,000,000. While the English system has not shown an appreciable improvement in either the quantity or quality of its placements over this period of time, those of Germany and France have. The exchanges of the former country are managed by joint committees of employers and workers and have developed in the large cities some very efficient industrial and trade sections. Beginning with the first of the coming year, the German private profit-making agencies, which have long been strictly regulated, will completely disappear.

Under the stress of the war-time shortage of labor we hastily constructed an extensive Federal Employment Service, which at the height of its activities had 850 offices in operation. During 1918 it placed approximately 2,400,000 workers. When the war was over and the shortage of men was transformed into a relative shortage of jobs, the National Association of Manufacturers and other large employing interests, together with the private employment offices, successfully opposed the proposal to continue the service on a Federal basis. The national appropriation was reduced to $400,000 and this in turn was later halved. The offices were either discontinued or turned back to the States and municipalities so that at the present time there are between 180 and 190 public offices. The number of placements has not increased over the decade, as is well shown by table 1.

TABLE 1.—*Number of reported placements by public employment offices, numbers actually placed by public offices, in the United States, 1921–1930*

Fiscal year ending June 30:	
1921	1,398,000
1922	1,459,000
1923	----------
1924	1,807,000
1925	1,610,000
1926	1,791,000
1927	1,688,000
1928	1,413,000
1929	1,534,000
1930	1,346,000

Thus while there was a rise from 1921 to an average of around 1,700,000 during the four years 1924–1927, there has been in the past three years a decided recession. This is due in part to the general decline in employment, but it is significant that the number of placements reported for the fiscal year 1929–30 was slightly less than for the depression year of 1920–21.

Even more disturbing than the failure of the system, either local or national, to gain ground quantitatively has been its qualitative degeneration. The United States Employment Service has evidenced this deterioration to a marked degree. The head of the service, who was appointed by President Harding and who has been retained during the administrations of Presidents Coolidge and Hoover, has revealed his incapacity in increasing measure with the years. The Federal service's possibilities for harm are, to be sure, limited by the scanty appropriations and by the fact that they do not, save in the case of harvest labor, actually place workers. But their work has been bad enough. They have delegated some of their staff to assist the various State services, and these men, who are not civil-service appointees, have, with some exceptions, added nothing to the efficiency of the placement work. Further, the analyses and forecasts of the employment situation which the service issued during the winter and spring of 1930 were almost completely misleading. The statements given out in a period when employment was steadily falling could only have been inspired by utter incompetence or by a belief that it was better to apply mental healing to the business situation than to tell the truth.

The general level of the State offices has also deteriorated. With rare exceptions they have dingy quarters, are operated by low-paid and dispirited political hacks, and primarily handle unskilled labor. The vital drive which characterized the movement 15 years ago has slackened to a slow tempo. But while this is a fairly accurate generalization, some States have carried on their work with relative effectiveness.

While the comparative costs of placement should not be the sole test as to the efficiency of the service in the various States, it is at least one very important criterion, and Table 2, on page 254, for the latest available years shows the wide differences which exist between the States.

This shows the States to be divided into two rather sharply differentiated groups. The first group is composed of Wisconsin, California, and New Jersey, where the average placement costs are around 60 cents, while the second group includes Connecticut, New York, Illinois, Massachusetts, and Pennsylvania, with an average cost ranging from $1.71 to $2.31, or from three to four times the figure for Wisconsin. Ohio occupies a position between these two groups.

TABLE 2.—*Comparative placement costs of public employment offices in various States*

State	Year	Number of offices	Total appropriations, State and local	Total placements	Average cost per placement
Wisconsin	1929	10	$58,081	101,183	$0.57
California	1928	10	84,895	144,516	.59
New Jersey	1929	7	76,500	120,572	.63
Ohio	1929	12	155,324	137,538	1.13
Connecticut	1928	8	50,000	29,867	1.71
New York	1929	11	188,309	100,171	1.88
Illinois	1929–30	20	266,080	135,909	1.96
Massachusetts	1929	4	68,841	30,157	2.28
Pennsylvania	1929	9	99,000	41,997	2.31
Total	--------	91	1,047,030	842,910	1.24

It is hard to believe that the higher-cost States give sufficiently better service than the low-cost States to justify the wide difference. On the contrary, students of the question have known for years that Wisconsin, California, and Ohio—all of them low-cost States—are probably first in the quality of their work while the political nature of certain other State departments of labor has been notorious.

But black as this picture is, there are two clear signs of hope. The first lies in various attempts to improve the State services, while the second is the passage by the Senate of the Wagner bill providing greatly increased funds for an improved Federal-State service.

New York has been the leader in putting its house in order. Her energetic industrial commissioner, Frances Perkins, appointed an advisory committee headed by F. A. Silcox, of the typothetæ, to survey the State offices and to make suggestions for their improvement. This committee, with Mary LaDame as investigator, brought in a series of recommendations, some of which have already been acted upon. A new chief, Fritz Kaufman, was appointed, and by staff meetings and personal interviews the members of the service have been given greater interest in their work. An emergency staff was recruited and after training made over 5,300 field visits in the effort to get more employers to patronize the offices. By these and other methods the number of placements was increased from a previous monthly average of slightly less than 5,000 to 5,700 in March, 8,600 in April, and 10,400 in May, despite the general decrease in the demand for labor. The number diminished somewhat in the succeeding months, but on the whole the gain has been decisive and the reform is still progressing. The Laura Spelman Rockefeller memorial fund, headed by Dr. Beardsley Ruml, intends to finance a model public employment office in some New York city for a period of years, and during the last session of the legislature a law was passed permitting the State to accept such assistance. This experiment station will be of the utmost value in raising the standards of public employment work everywhere.

In Illinois, Benjamin M. Squires, of the University of Chicago, who is now head of the State advisory board for the employment offices, has been conducting a thorough survey of the offices in that State and if given adequate backing from business and labor groups can perhaps force the politicians to improve the service. In Pennsylvania, Gifford Pinchot, the governor elect, has pledged himself to include a reform of the public employment offices in the comprehensive unemployment program which is to be worked out by a commission headed by Clyde L. King. There are plans afoot for the improvement of the service in Cincinnati, while in Middletown, Ohio, a farsighted industrialist, D. R. Hook, of the American Rolling Mill Co., has been using the public office as the chief source of labor for his mills.

But while these developments are interesting and important, by far the greatest possibility for improvement lies in the Wagner bill (S. 3060). Almost immediately upon his entrance to the Senate in 1926 ROBERT F. WAGNER, of New York, revived the Kenyon-Nolan bill, and after making some modifications has steadfastly urged it ever since. This bill called for the appropriation of $4,000,000 annually by the Federal Government for public employment services, $3,000,000 of which was to be allotted to the States according to population, with the usual Federal-aid provision that they or their subdivisions appropriate at least an equal amount. A State was, of course, not compelled to accept the act, but if it refused it was not entitled to receive Federal funds for this purpose. Once under the act it was pledged to set up an integrated State service and to submit plans for its operation to the United States Employment Service. If the latter approved of these plans, and if upon inspection the State service was found adequate, the allotment was to be made. If the Federal director refused to certify the plans and the efficiency of the State service, the State could appeal to the Secretary of Labor, but if the latter upheld his subordinate the funds were to be withheld.

The remaining $1,000,000 was to be expended by the Federal service in conducting clearing houses for labor between States, inspecting the State services, carrying on research and publishing information, setting up a revolving fund for the transportation of workers, and finally in directly conducting offices in States where no State system existed and for one year only in States which refused to come under the act. In order to make possible the efficient administration of the new system, the existing Federal service was to be disbanded and a new director general appointed by the President. The personnel for the Federal work was to be under civil service, and it was provided that the director general should set up a national advisory council composed of equal numbers of employers and workers, and that there should be similar councils in each State which accepted the act. The Federal funds provided under the bill, together with the amounts required from 10 States, would approximately quadruple the total amount now being spent for public employment offices.

The bill did not make any progress until the depression of the current year aroused public and senatorial interest in the measure. By a combination of western progressives, led by Senator HIRAM JOHNSON, of California, and Democrats, the bill passed the Senate in May by a vote of 34 to 27. The "old guard" and the administration Republicans voted almost uniformly against the bill, led by Senator BINGHAM, of Connecticut. The bill then passed to the lower House where efforts were made to sidetrack it in the Judiciary Committee. Hearings were finally forced and the bill with some amendments was reported out by a favorable vote of 18 to 2 during the closing days of the session. A number of amendments,

however, were tacked on, only one of which was an improvement. One of the features of the bill which had been most subject to attack from a constitutional standpoint was that which gave the national service the power during one year to open offices in States which refused to come under the Federal aid act. This was wisely eliminated. Unfortunately, however, the service was also deprived of the power to transport workers and with this, by what may have been an inadvertence, the clauses authorizing the service to establish "uniform standards, policies, and procedures" and pledging it to be "impartial, neutral in labor disputes, and free from political influence." Finally, the committee decreased the annual salary of the director general from $10,000 to $8,500.

The bill was reported out too late for action by the House and therefore went over to the short session of Congress, this month.

TABLE 3.—*Appropriations to the Federal employment service from 1919–1930*

[From the United States Digest of Appropriations]

1919	[1] $5,500,000
1920	400,000
1921	225,000
1922	225,000
1923	225,000
1924	210,000
1925	206,284
1926	205,000
1927	205,000
1928	200,000
1929	205,000
1930	217,000

The National Association of Manufacturers and the private employment offices have been open and vigorous in their opposition to the Wagner measure. The motives of the latter group are obvious, but those of the former are not at first thought so apparent. Their ostensible ground of opposition, which has been stressed both by Senator BINGHAM and by their counsel, James A. Emery, is on the principle of Federal aid. This, they assert, is really coercive upon the States and is unconstitutional. Such legalistic objections tend to be at best merely disguises for the real grounds of opposition. The history of constitutional law abundantly demonstrates that constitutional arguments are, as a rule, only the weapons with which group interests contend rather than the motivating cause for their actions. This suspicion is particularly heightened in the present instance by the fact that the National Association of Manufacturers itself worked in 1916 for the passage of the Smith-Hughes bill granting Federal aid to the States for vocational education and by the Supreme Court's statement in the leading case, Massachusetts *v.* Mellon (262 U. S. 447), that under Federal aid the statute does not "require the States to do or yield anything. If Congress enacted it with the ulterior purpose of tempting them to yield, that purpose may be effectively frustrated by the simple expedient of not yielding."

Without pretending to possess any psychoanalytic omniscience, I believe that the real reasons for the opposition of the National Association of Manufacturers, as distinguished from their assigned reasons, are probably as follows: First, their fear that the offices would be used by the unions to get union organizers into nonunion plants; second, their fear that the offices would decrease the work of the employment bureaus of a number of manufacturers' associations; and, third, that they fear the offices would hasten the coming of compulsory unemployment insurance.

The first fear seems to be particularly ill founded. By the terms of the original bill the service was pledged to neutrality in labor disputes, and while this clause was inadvertently omitted subsequent to the objections of the manufacturers, it should and doubtless will be restored. Second, even if it be thought that the Department of Labor would be biased in favor of labor (an objection difficult indeed to maintain in view of the conduct of that department during the last 10 years), it should be remembered that the director general is to be appointed by the President. Further, the employers are to have equal representation on the advisory councils and could in effect prevent any such possibility from developing. Moreover, even were the service biased in favor of union men, the employers are not compelled to patronize it and are instead completely free to hire their workers at the gate or through any other agency which they choose. The employers by their refusal to deal with the public exchanges could thus keep the latter from abusing their trust. Finally, even where employers ask the public offices to send them applicants, they are not obliged to accept them. The individual employer can therefore maintain his blacklist, if he wishes, and if men he considers undesirable are sent to him by the public offices he can simply decline to give them employment.

The second fear may well spring from the belief that if a free public agency is provided many manufacturers will not be willing to continue to contribute to the support of exchanges maintained by employers' associations. This is a perfectly valid reason why the employers' associations themselves should oppose the measure, since, in the words of Spinoza, "each thing, in so far as it can, endeavors to preserve itself." It hardly is a reason, however, why the general public should oppose the bill.

Nor will the third fear seem conclusive to any open-minded seeker after the best methods of dealing with unemployment. The opponent of unemployment insurance should not refuse to take a step which he knows would lessen the chaos and distress of the labor market merely because of his fear that it would facilitate a second step of which he does not approve. Each issue should be decided on its own merits.

Opposition to the Wagner bill is undoubtedly bitter, and there is scant hope that it can pass the House at the short session unless the administration comes out strongly in favor of it. It is an open secret in Washington that thus far the administration forces have been at best indifferent and at the worst covertly hostile to the measure. If the White House really means to make any serious attempts to cope with the problem of unemployment, it can not shirk its responsibility for helping to take the first step toward organizing the labor market. Affirmative support of the Wagner bill would not only be socially desirable but it would be good political strategy as well. It would transform a Democratic-Progressive bill into a nonpartisan act and would take away from the Democrats a powerful campaign argument which Senator WAGNER and others would know how to wield with vigorous effect. If the administration really wishes to do so, it can, with its control over the present House, have the bill passed during the first days of the current session and then see to it that the service is speedily and efficiently organized.

But the responsibility for the Wagner bill rests on the socially minded people of the country as well as upon the White House. If they really care about the problem of unemployment, they can make their desire to have this bill passed so clear that Congressmen of all political camps will see that it is not only economically desirable for the Nation but politically advantageous to themselves to support it.

EFFECTIVE EMPLOYMENT OFFICES—HOW THEY MAY SERVE MANAGEMENT AND WORKERS

1. Lessen the time lost by the unemployed in hunting for jobs and reduce the expense which employers suffer in unnecessary interviewing.

We have created central markets to facilitate the purchase and sale of every commodity and to adjust local surpluses and deficits, but we have no such market for labor. Men go seeking work when there are jobs close at hand which they might fill. Groups of men are drawn from city to city by unreliable rumors of employment. Men frequently leave one city to seek work in another city at the very time that similarly qualified men are leaving the second city for the first. This chaotic system is costly for employers as well as for workers. A large electrical supply company in Chicago, for example, interviewed 200,000 workmen in one year in order to hire 20,000. If the first rough sifting had been confined to the public offices, this company, instead of interviewing 10 men for every 1 hired could probably have saved over $100,000 a year. Such savings would permit public offices to carry out a more adequate program of testing applicants for trade skills, mental ability, and physical fitness.

2. Remove the necessity for individual enterprises to maintain separate labor reserves to meet their peak loads by pooling the general labor reserve.

It is the practice of most firms so to spread out their work that they will keep attached to them sufficient workers to meet their busiest period. Since the peak periods of firms within an industry and between industries do not coincide, even on the busiest day, there are jobless men. If a central labor reserve is created, individual employers can give steadier work to their regular employees and rely on the public exchange for men to meet their rush periods. The excess of men in an industry over the total needed on the busiest day can then, if the employment offices are sufficiently resolute, be squeezed out of this line of work and transferred to others.

3. Help protect the workers against unfair exactions by private employment agencies.

There are over 1,100 such offices in New York City alone, over 400 in Chicago, while there are 275 licensed offices in Pennsylvania. Some of these offices are reputable, but many unfortunately are not. The fees which the workers pay are generally high, and fee splitting with foremen is common. This, of course, leads foremen to discharge workers in order to collect commissions on those who take their places. The private agencies frequently fail to make adequate refunds if the applicant does not obtain a job or receives only temporary employment while actual misrepresentation is common. It is the tendency of the offices to increase their fees during periods of depression because of the workers' desperate need. The best way to regulate these offices is by starting an adequate free public system. This is all the more necessary since the United States Supreme Court in the case of Ribnik *v.* McBride (277 U. S. 350) has greatly restricted the possibilities of regulation, and we must now depend almost entirely on outright competition by the State.

4. Render special service to particular groups of workers, such as juveniles, women, the aged, and the handicapped.

5. Furnish general information on the state of the labor market and on employment opportunities in particular industries, which would be invaluable in directing labor into needed channels.

6. Furnish services essential to the administration of any system of public unemployment insurance.

There is no way to determine whether an ostensibly unemployed person is in reality seeking employment unless there is an employment office where he must register and which at the same time tries to place him. But while employment exchanges are a prerequisite to the successful administration of unemployment insurance, it should, of course, be realized that it is not necessary to adopt the latter once we have the former.

[1] And $250,000 for transportation of workers hired.

THE SOCKEYE SALMON

Mr. DILL. Mr. President, I ask unanimous consent to have published in the RECORD a radio address on the so-called Sockeye Salmon Treaty by Governor Roland Hartley, of Washington, at Seattle, Wash., Thursday evening, December 4, 1930.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow citizens, I have come to KJR to-night to lay before you what I consider a very important matter—the so-called sockeye salmon treaty between the United States and Canada, which proposes to take from our people the control of one of the State's greatest natural resources—the salmon. Negotiations have reached a point where this treaty is before the United States Senate for ratification. After wide and thorough investigation, I am convinced that this treaty is not only highly objectionable, but a real menace to one of the State of Washington's greatest industries.

The importance of this great natural resource you will readily recognize when I tell you that the salmon industry on Puget Sound last year produced $11,000,000 to the State and that Washington produces more salmon than all the other States in the Union combined.

Foreseeing the importance of the salmon industry, our legislature many years ago created a department of fisheries within the State administration for the purpose of constantly aiding in the development and supply not only of salmon but all other food fish of the State's waters.

We have not only read but heard much untruthful propaganda in the last few years of the rapidly approaching extinction of the salmon industry on Puget Sound. Were these statements true, the conclusion would be that the State department, for which I am responsible, was not functioning properly or that necessary powers and appropriations had not been granted. This is not true. We have plenty of funds with which to operate and a flexbile authority which can quickly adjust itself to any emergency, necessity, or situation. In view of the unfavorable publicity and the stories of the depletion of our salmon, I consider it my duty to truthfully set forth the situation.

What are the facts? We have them. They are prepared by the department of fisheries, which for many years has maintained records accepted as authoritative by all those engaged in the salmon fishing and packing industry everywhere.

Had the depletion charge been made during the period from 1914 to 1921 there might have been some justification for the complaint, but, even in that period, it should be recalled that under the demands of Federal authorities for food during the war all restrictions on commercial fishing were temporarily abandoned.

At the close of the war, however, a new era for our fishing industry began. The State department of fisheries, composed of men with a real knowledge of the industry and the habits of the salmon, adopted effective cultural policies in the hatcheries, established closed fishing areas, and limited and closed fishing seasons, which corrective policies brought immediate results, as shown by the following table of the total pack of salmon on Puget Sound, the odd-year record being:

	Cases
1921	653,400
1923	758,138
1925	911,670
1927	892,244
1929	1,131,844

Thus, within a period of eight years, the salmon pack on Puget Sound, as a result of the constructive policies of the Department of Fisheries, has been increased 73 per cent. Few similar industries can show any such growth, and particularly is it a matter of congratulation for the citizens of the State of Washington that such a result should have been brought about without taxing any part of the cost of this development of the fisheries to our citizens. The entire expense of the program is carried by the industry itself, through license fees and the levying of a catch tax on every salmon taken in our waters.

Remember, this accomplishment is in the face of the damming of our spawning streams by hydroelectric plants and irrigation projects, the constantly increasing pollution of the rivers by the growth of population and industry, and the lowering of the efficiency of many spawning-bed streams caused by the removal of our forests.

Instead of this natural resource being greatly depleted, the reverse is conclusively shown to be true. With our salmon increasing in number and bringing more and more dollars to the State, this great industry contributes mightily to the prosperity of the entire Commonwealth.

The people of Washington, therefore, have just reason to be proud of the success of the State's administration of its salmon fisheries. Its methods have been demonstrated as successful, and realized in a much quicker time than it was dared to hope. Our citizens should appreciate and understand what has been accomplished, and should further know that every safeguard will be taken to insure the continuation of this development and the maintaining of the present exclusive jurisdiction in the control of this great natural resource.

The real facts being as stated, I have come to the conclusion that the articles—the propaganda—announcing the alarming depletion of our salmon, arise from inaccurate information, or are an attempt on the part of some one to deliberately misinform our citizens for some hidden reason, or, as is usually the case, for a personal monetary objective.

All of the articles seem timed and distributed to influence the ratification of the so-called sockeye salmon treaty, negotiated by the present Federal administration with the Dominion of Canada, and now before the United States Senate for consideration.

Under the terms of this treaty the salmon fisheries of the State of Washington, the only State affected, are to be taken from the jurisdiction of our citizens for a period of 16 years and placed in the hands of a joint commission representing the United States and Canada.

This treaty had been quietly and skillfully guided, including the ratification by the Parliament of the Dominion of Canada at Ottawa, before any hint of its proposed terms was made public in the United States or communicated to me as Governor of Washington or to the department of fisheries of this State.

This treaty, sugar-coated for our public with that hackneyed word "conservation," behind which so many of the people's rights are being taken from them, is presumed to give jurisdiction over only one species of salmon caught in our waters—the sockeye—but everybody with any knowledge of the salmon fishing or packing industry knows full well that it is absolutely impossible to take any effective steps regarding an individual species in any area without a complete assumption of jurisdiction over the entire industry, and that a dual authority over the salmon in Puget Sound would create conditions of absolute confusion and demoralization, which, in the end, would destroy the industry. A regulation by one authority that would be lawful might under the coordinate authority be unlawful, and in the last analysis lawful fishing would be impossible.

And again: What are the facts about the sockeye?

In 1929 the salmon pack on Puget Sound was 10 per cent sockeye and 90 per cent other species. In other words, recognizing the inability of the so-called sockeye salmon treaty to be administered without embracing a complete control over all species of Puget Sound salmon, are the people of this State to be deprived of their sovereign rights over one of our greatest natural resources? Are we to be deprived of effective jurisdiction over 90 per cent of the salmon caught in our own waters, the supply of which has been built up by our own proven methods, all for the sake of giving a joint Government board an opportunity to experiment with a species of salmon constituting only 10 per cent of the pack? Do not overlook the fact that this relinquished sovereignty can not be regained for a period of 16 years, irrespective of whether the treaty might accomplish anything or not.

The sole justification for the sockeye treaty is the depletion of that species. If there has been a depletion, what caused it? Was it the excesses or failure of the State of Washington to take sound and proper methods for its preservation? Not at all.

During the construction of a Canadian Government railroad in 1913, at Hell Gate on the Fraser River, a tremendous rock slide completely blocked the river to the sockeye salmon on their way to their natural spawning grounds.

This was not only a catastrophe to the sockeye salmon of the Fraser River, but to the salmon industry of Washington waters as well. Recognizing this at all times since, the Department of Fisheries of the State of Washington has been willing and anxious to contribute to the reestablishment of the sockeye species on the Fraser River, by the adoption of methods successful with other species in our State, and has offered substantial contributions toward the greater expansion of the sockeye salmon culture at the headwaters of the Fraser River.

To overcome a catastrophe of this kind nature requires time.

Since the catastrophe of 1913, the State of Washington, through its department of fisheries, has done everything rational in its power to allow an escapement of sockeyes that would gradually regenerate its former supply. We have established closed areas and closed seasons to aid the sockeye salmon in reaching their natural spawning grounds.

This is a general statement of conditions. From the viewpoint of the sockeye alone, let us again review the facts.

The fishing season of 1930 has just closed, and the pack of sockeye salmon on Puget Sound and on the Fraser River is approximately 450,000 cases—a greater pack than at any time since 1917. The condition of the spawning beds on the lakes of the upper waters of the Fraser River is better than at any time during the past 20 years, pointing to an unusually large run in 1934—perhaps a real reestablishment of the Fraser River supply.

No better example of the flexibility of the present State administration and control could be cited than the steps taken this year to insure the necessary escapement of the run of sockeye salmon, when the fisheries department of the State not only curtailed the season but also stopped fishing abruptly while the run was at its height.

As governor of this State, in protecting the rights of its citizens, I regard these facts as of dominating importance. What is the crisis, or the necessity, which suggests that the State of Washington relinquish its sovereignty over the principal fishing waters of the State, a field in which its activities have been most constructive and fruitful? What can a joint commission, or a Federal bureau, do better than the people of the State of Washington in the handling of this or any other natural resource of this State? Is the authority of the State to cease to exist, and is self-government to be destroyed?

This is a fundamental issue, and, as governor, I raise my voice in vigorous protest, and will use all the influence and power of my office to protect the people in their rights. I am old-fashioned

enough to believe in the fundamental principles of our form of government, and to insist on this State's right to govern its own people and control the property and resources within its own borders.

Another interesting phase of the question is this: There are engaged in the fishing industry and its accessories in Washington more than 25,000 citizens—property owners and taxpayers—who oppose invasion of the State's authority in the control of this industry.

As the sockeye salmon run in the waters of Puget Sound, and spawn on the lakes tributary to the Fraser River, the question is, What can be done to insure the run?

In my opinion, the answer is to extend the culture of the fish by increasing the size and number of the hatcheries on the Fraser River. The only question here involved is one of expense. Practical means should be found so that the sockeye run itself might participate substantially, as the pinks and others now do in Washington.

The only other condition is the protection of the fisheries after development; and might this not properly be left to the intelligence and self-interest of the State of Washington and the Province of British Columbia, leaving to the citizens of these respective Commonwealths the control and jurisdiction over their own resources and business?

The statement is made—I do not vouch for it—that the fishermen on the Canadian side of the line are as strongly opposed to the treaty and its bureaucratic control as are the fishermen of the State of Washington.

Now that the plan is understood, you well might ask, in view of what I have said, "Why the sockeye salmon treaty, and what are the influences which have brought this treaty to its present state, with the threatened invasion of the sovereign rights of the State of Washington to the point of elimination?"

My answer is, I do not know and I can not find out. There is no plausible and satisfactory explanation, and I am therefore urging our Senators to insist that this treaty be abandoned and the rights of our citizens protected, and shall communicate with the President, entering my protest as governor of the State, asking him to withdraw the treaty, as the information so far brought to my attention does not furnish grounds or warrant any such drastic procedure as the subordination of the rights and privileges and sovereignty of the State of Washington in this important industry.

In conclusion, fellow citizens, Congress is in session. This vital and important matter to this State is before the United States Senate for ratification. Lose no time in demanding of your Senators, JONES and DILL, the rejection of this treaty.

Good luck and good night.

RELIEF OF DROUGHT AND STORM AREAS

Mr. McNARY. I ask unanimous consent for the immediate consideration of Senate Joint Resolution 211, otherwise known as the drought-stricken-area relief measure.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate proceeded to consider the joint resolution (S. J. Res. 211) for the relief of farmers in the drought and/or storm stricken areas of the United States, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 8, after the word "for," to strike out "work" and insert "live," so as to make the joint resolution read:

Resolved, etc., That the Secretary of Agriculture is hereby authorized for the crop of 1931, to make advances or loans to farmers in the drought and/or storm stricken areas of the United States, where he shall find that an emergency for such assistance exists, for the purchase of food, seed of suitable crops, fertilizers, feed for livestock, and/or fuel and oil for tractors used for crop production, and for such other purposes of crop production as may be prescribed by the Secretary of Agriculture. Such advances or loans shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe, including an agreement by each farmer to use the seed and fertilizer thus obtained by him for crop production. A first lien on all crops growing or to be planted and grown during the year 1931 may, in the discretion of the Secretary of Agriculture be deemed sufficient security for such loan or advance. All such advances or loans shall be made through such agencies as the Secretary of Agriculture may designate, and in such amounts as such agencies, with the approval of the Secretary of Agriculture, may determine. For carrying out the purposes of this resolution, including all expenses and charges incurred in so doing, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $60,000,000.

SEC. 2. Any person who shall knowingly make any material false representation for the purpose of obtaining an advance, loan, or sale, or in assisting in obtaining such loan, advance, or sale, under this resolution shall, upon conviction thereof, be punished by a fine of not exceeding $1,000 or by imprisonment not exceeding six months, or both.

The amendment was agreed to.

The VICE PRESIDENT. The joint resolution is before the Senate and open to amendment.

Mr. McNARY. Mr. President, yesterday, as chairman of the Committee on Agriculture and Forestry, I reported favorably from that committee on the provisions of this joint resolution. The report is in writing, and it covers largely the climatic conditions that obtained last summer and fall, as well as the physical situation. I ask that the report be read at the desk by the clerk.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Chief Clerk read the report (No. 1165) submitted by Mr. McNARY on the 8th instant, as follows:

[Report to accompany S. J. Res. 211]

The Committee on Agriculture and Forestry, to whom was referred the joint resolution (S. J. Res. 211) for the relief of farmers in the drought and/or storm stricken areas of the United States, having considered the same, report thereon with recommendation that the joint resolution do pass with the following amendment:

On page 1, line 8, strike out "work" and insert in lieu thereof "live."

During the summer and fall months of 1930 the United States suffered the most severe and widespread drought in its history, with resultant heavy reduction in crop production, particularly of corn, hay, and forage crops. The drought also greatly depleted pastures, making it necessary for farmers to begin feeding their livestock much earlier than usual. As a result, farmers over a wide area will have difficulty in financing the feeding of livestock through the winter months and in obtaining seed and fertilizer for crop production in 1931. These conditions appear to justify the authorization of an appropriation by the Congress for food, seed, fertilizer, and feed loans along the line of previous legislation for drought and storm relief, except that the inclusion of food is an expansion of the relief acts heretofore passed by the Congress.

The drought of 1930 was most severe in an area extending from the Atlantic coast of Virginia and Maryland to southeastern New Mexico. This area included all of the States of Virginia, West Virginia, Maryland, Kentucky, and Arkansas; the larger part of Tennessee, Mississippi, Oklahoma, and Missouri; very considerable portions of Ohio, Indiana, Illinois, Texas, Louisiana, Alabama, and Pennsylvania; and small portions of North Carolina and Georgia. There was also severe drought over a very considerable area in Montana and smaller areas in Wyoming, North Dakota, and Washington.

As an indication of the severity of the drought, the average acre yield of corn in Virginia was estimated at 11.5 bushels, as compared with a 10-year average of 26.8 bushels, and that of hay at 0.6 ton, as compared with a 10-year average of 1.16 tons. In Maryland the average yield of corn was 15 bushels, as compared with a 10-year average of 39.4 bushels. In Ohio, only a part of which was seriously affected by drought, the average yield of corn for the entire State was 25 bushels, as compared with a 10-year average of 39.2 bushels, and that of hay 0.89 ton, as compared with a 10-year average of 1.37 tons. The State most seriously affected by the drought was Arkansas, with an average yield of corn for the entire State of 4.5 bushels, as compared with a 10-year average of 18.5 bushels, and cotton 111 pounds, as compared with a 10-year average of 167 pounds. Acre yields and total production of corn, hay, and cotton in several of the States seriously affected by drought are shown in the table which is inclosed. In Montana the average yield of wheat was 8 bushels per acre, as compared with a 10-year average of 12.1 bushels, and that of flax was 3.7 bushels, as compared with a 10-year average of 6 bushels.

The figures just given on crop yields indicate only a part of the serious loss incurred by farmers. Over much of the area practically no pasture was available for livestock after August 1, so that the feeding of hay and forage was necessary over a much longer period than usual. With greatly reduced production of hay and forage, farmers over a wide area have been compelled to buy large quantities of hay and feed or to sell a part of their livestock, or both. In many instances dairy and beef cattle have been sacrificed because of inability of farmers to buy feed. On many farms and in villages and towns the shortage of water has constituted a serious problem. This, again, has caused some farmers to sell their livestock. The depleted income of farmers from reduced crop production, coupled with the necessity of making unusual purchases of hay and feed, has exhausted the resources of many farmers in the drought area. Further, these farmers have not been able to repay money borrowed from banks and other agencies for crop production in 1930, and these local agencies will have difficulty in financing these farmers again in 1931. There would appear to be, therefore, greater justification for relief legislation this year by the Federal Congress than on any previous occasion. As the area involved is so very much greater than in any previous year when seed-loan legislation has been passed, it is believed that an appropriation of $60,000,000 will be necessary to make advances to farmers along the lines of such loans made in previous years and to meet the enlarged demands made essential by the provision to include food in the commodities that may be purchased.

Acre yields and total production

CORN

State	Average yield, bushels per acre			Production, bushels		
	1930	1929	1919–1928	1930	1929	Average, 1924–1928
Alabama	10.5	14.0	14.2	30,062,000	37,464,000	39,010,000
Arkansas	4.5	14.0	18.5	8,721,000	26,348,000	34,753,000
Illinois	25.0	35.0	35.6	251,400,000	311,500,000	326,691,000
Indiana	27.0	32.0	36.3	114,696,000	131,968,000	156,990,000
Kentucky	10.5	27.5	26.9	30,849,000	80,795,000	80,949,000
Louisiana	10.5	18.2	17.0	13,629,000	21,476,000	19,516,000
Maryland	15.0	36.5	39.4	8,115,000	19,162,000	21,064,000
Mississippi	11.5	20.0	16.2	20,298,000	35,300,000	31,628,000
Missouri	13.0	23.5	28.6	76,986,000	126,524,000	175,139,000
Pennsylvania	22.0	35.8	43.1	29,084,000	46,470,000	55,440,000
Ohio	25.0	36.5	39.2	90,602,000	128,407,000	132,495,000
Oklahoma	10.5	16.0	20.3	35,196,000	46,320,000	57,816,000
Tennessee	14.0	25.0	23.5	41,622,000	73,600,000	68,522,000
Texas	18.5	19.0	21.6	90,576,000	86,127,000	82,719,000
Virginia	11.5	29.0	26.8	17,676,000	44,138,000	41,546,000
West Virginia	13.5	31.5	33.5	6,129,000	13,892,000	15,649,000

TAME HAY

State	Average yield, tons per acre			Production, tons		
	1930	1929	1919–1928	1930	1929	Average, 1924–1928
Alabama	0.80	0.77	0.84	446,000	453,000	450,000
Arkansas	.70	1.05	1.16	434,000	631,000	638,000
Illinois	1.13	1.56	1.31	3,808,000	5,554,000	4,330,000
Indiana	1.00	1.63	1.28	2,054,000	3,517,000	2,701,000
Kentucky	.70	1.42	1.31	854,000	1,783,000	1,554,000
Louisiana	1.00	1.14	1.24	323,000	326,000	295,000
Maryland	.95	1.54	1.47	408,000	648,000	666,000
Mississippi	.97	1.26	1.19	416,000	559,000	478,000
Missouri	.90	1.34	1.26	3,317,000	5,211,000	4,384,000
Pennsylvania	1.30	1.49	1.42	3,670,000	4,280,000	4,548,000
Ohio	.87	1.64	1.57	2,546,000	5,009,000	4,298,000
Oklahoma	1.05	1.31	1.60	699,000	875,000	819,000
Tennessee	.93	1.32	1.19	1,281,000	1,872,000	1,542,000
Texas	1.05	1.13	1.33	715,000	744,000	689,000
West Virginia	.75	1.43	1.33	593,000	1,149,000	1,137,000
Virginia	.60	1.32	1.16	623,000	1,373,000	1,220,000

COTTON

State	Average yield of lint, pounds per acre			Production, bales		
	1930	1929	1919–1928	1930	1929	1928
Alabama	195	174	146	1,470,000	1,342,000	1,109,000
Arkansas	111	178	167	905,000	1,435,000	1,246,000
Louisiana	162	183	152	690,000	809,000	691,000
Mississippi	179	220	176	1,500,000	1,915,000	1,475,000
Oklahoma	115	126	153	950,000	1,143,000	1,205,000
Tennessee	159	217	182	405,000	515,000	428,000
Texas	118	108	135	4,175,000	3,940,000	5,106,000

Mr. FLETCHER. Mr. President, may I be permited to say that I notice from the report that Florida is not mentioned? I do not think the drought was very severe in Florida, but there are cetrain areas which were quite seriously affected, and I do not want this measure to pass without including Florida in whatever relief may be found necessary, if, indeed, it is discovered that there were serious losses and damage occasioned by drought or storm or flood in that State.

I have a communication from the agricultural agent in Jackson County calling my attention to the drought damage in that area of the State. So I think the words " small portions of North Carolina and Georgia " might well be broadened to include Florida. I wish to have that understood. If there are conditions there which bring those areas under the provisions of the joint resolution, I should expect them to be considered and included.

I will ask to have go into the RECORD this communication from the agent of Jackson County.

The VICE PRESIDENT. Is there objection?

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS,
Marianna, Fla., November 29, 1930.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I notice that a large sum is to be made available for farmers in the drought-stricken area for the purpose of financing the growers in making their 1931 crops. In reading the summary of States and counties I note that the west Florida area is missing.

I appreciate the fact that my county in particular produced more cotton than any year since 1914. It is to be remembered, however, that a good many of our farmers are not cotton growers, but livestock raisers. The exceedingly dry weather here caused many complete failures, and should such a fund be made available I am asking you to see that such growers are allowed to take advantage of this aid.

The demand will be small, but we have a certain class of growers who really deserve this aid. The needy ones can be assisted without extending this aid to all in general, providing the right committee is appointed to manage the same.

From past experience we find that this aid has come entirely too late to do the farmer the good it should, and we would appreciate Congress making these funds available for the grower as soon after the new year as is possible.

We will appreciate your efforts in our behalf and wish to assure you that your constituents will fully appreciate the efforts spent in their behalf.

Would appreciate hearing from you.

Yours very truly,

SAM ROUNTREE, *County Agent.*

Mr. McNARY. Mr. President, I have stated to the distinguished junior Senator from South Carolina [Mr. BLEASE] that there was no intention upon the part of the chairman of the committee, who prepared the report just read, to limit the application of the provisions of this measure. I think the geographical area which was primarily and most seriously affected is expressly stated; at least, that was my aim and purpose. If there is any portion of South Carolina, or Florida, or Idaho, or any other section of the country which needs this relief, since the joint resolution is general in its terms, upon a mere application the provisions of the measure would be considered in connection with such section.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. BARKLEY. There is also no limit as to the type of crop which may be included in the relief. Is not that correct?

Mr. McNARY. I so understand it.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. BORAH. I have not seen the report on this matter until this morning, but naturally I would like to know by what means and from what facts the committee arrives at a conclusion as to any specific amount.

Mr. McNARY. If the Senator will bear with me patiently, I will discuss that very briefly.

Mr. BORAH. I hope the Senator will excuse me. I thought he was in the act of taking his seat.

Mr. McNARY. I think the report submitted and read at the desk covers the essential features which would be remedied by the joint resolution. Therefore I shall address myself to another phase of this problem in a brief way.

On the 2d day of December, the day after Congress convened, I introduced this joint resolution in the Senate. At the same time the distinguished leader on the Democratic side, the senior Senator from Arkansas [Mr. ROBINSON], introduced a joint resolution providing for the authorization of the same amount of money but with provisions somewhat dissimilar, more comprehensive, and not as much in line with the precedents heretofore established. On the same day the junior Senator from Texas [Mr. CONNALLY] introduced a bill almost exactly like that of the chairman of the Committee on Agriculture and Forestry, except that it provided for a direct appropriation rather than for an authorization.

Those three measures were referred to the Senate Committee on Agriculture and Forestry and hearings were had. At that time the committee voted unanimously to report out the joint resolution which is now under consideration by the Senate.

The day before the matter came to the Senate, as chairman of the committee I introduced another bill which had met with the approval of the Director of the Budget, namely, for $25,000,000, omitting the provision that advances could be made to purchase and distribute food. I may say that the committee frowned upon the measure because it did not believe the sum so authorized would give adequate relief.

The precedents upon which this joint resolution is based started in 1918, and in the intervening years a number of different bills have been passed similar to this measure, with the exception I shall mention in a moment. On the sums advanced by the Government to individuals 5 per cent interest has been paid by the beneficiaries of the loans. Of the amounts loaned, 81 per cent has been returned to the Government with interest.

In all those measures there was omission of the commodity of food. They provided for feed, seed, and fertilizer. This is the first measure in which food has been included. The committee thought there might be distress in the homes and believed that was just as much an object of relief as distress in the barn or out in the field and pasture.

It is my opinion that very little of this money would be used for the purchase of food. There might be instances where food would be as essential for saving life as putting seed in the hungry soil. It is my judgment that probably only a small amount of the money would be used for that purpose, but the committee thought they would give the Secretary authority to meet such a situation in the stricken region if he finds it proper so to do.

Furthermore, it must be said that this is but an authorization. It authorizes the appropriation of $60,000,000. Everyone familiar with procedure in the Senate and House knows that that does not necessarily mean the amount of money that actually will be expended. It must run the gantlet of the examination of the great Committee on Appropriations, and it must be submitted to the Director of the Budget. It has been the practice of the Congress, in taking care of any situation, to provide enough money, only expressing a principle, and not taking the money out of the Treasury unless there was an emergent situation.

I recall when a few years ago we prepared the farm marketing act the first bill called for an authorization of $250,000,000. By an amendment made on the floor $500,000,000 was inserted as an authorization. Until this date Congress has not appropriated more than half of that sum. If $60,000,000 should be authorized in this case, the Secretary of Agriculture would not expend more money than was needed to meet the situation, whether it was fifteen million or twenty-five million or sixty million. But the committee was unanimous in the thought that it was wise in establishing a generous principle to authorize a large sum of money in order to give relief which they thought the people in the stricken areas so much needed.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Oregon yield to the Senator from Georgia?

Mr. McNARY. I yield.

Mr. GEORGE. Perhaps the Senator from Oregon can state just what proportion or percentage of the loans authorized in 1929 and 1930 were actually used by the Department of Agriculture; in other words, the first seed loans.

Mr. McNARY. I will answer only in a general way. All of the authorizations of Congress have been higher than the amounts of money actually expended to relieve distress.

Mr. GEORGE. And what portion of the loans in the Southeastern States in 1929 were repaid?

Mr. McNARY. Eighty-four per cent of them were returned. About $6,000,000 was authorized, and $3,900,000 was actually appropriated. These figures I present from memory, and they may be slightly erroneous.

Mr. President, I desire action, but I want to say just a word in response to the question propounded by the able Senator from Idaho [Mr. BORAH].

In August of the present year the President of the United States appointed a drought committee covering the stricken area. The governors of the States affected by the drought also appointed a committee. Those great committees called a conference, which met in Washington on the 20th day of October of the present year. That conference, representing all the States, made this estimate of the amount of money thought to be necessary to relieve distress in the States, and the $60,000,000 is the amount estimated to be required in all the States visited by the drought.

Mr. BORAH. Mr. President, my reason for asking the question was that the Senator from Arkansas [Mr. ROBINSON] in his statement before the committee said:

> The President set up in the various States affected by the conditions about which we are speaking committees composed of men of outstanding character and ability. As I understand it, those committees met, or their representatives, in the city of Washington just before the beginning of this session, and they made a report to the effect that after a somewhat careful survey they had found that $60,000,000 was required for the purposes of section 1.

Do I understand that the committee which the President appointed, or caused to be appointed in the different States, met in Washington and, after a survey, recommended the appropriation of $60,000,000?

Mr. McNARY. That is exactly the statement of the chairman. This committee met again on the 20th day of November and set forth by a resolution the general principles they wanted to have enacted into law, but omitted the specification of any aggregate sum.

Mr. BORAH. They did not modify their former statement?

Mr. McNARY. Not at all.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Oregon yield to me?

Mr. McNARY. I yield.

Mr. ROBINSON of Arkansas. Let me explain to the Senator from Idaho and to other Senators who may be interested in the subject that this estimate was not carelessly or hastily made. The State chairman in the State of Arkansas procured the services of agents, who went very carefully through the State, investigated conditions, and made an estimate upon the basis of an actual investigation. I think the same course was pursued in other States, although I am not so familiar with what was done outside of the State of Arkansas. A more or less scientific estimate was made in Arkansas, and as a result of the combination of the investigations and conclusions, this recommendation for $60,000,000 was made.

Mr. BORAH. Mr. President, may I ask a question of the Senator from Arkansas? I do not wish to take the Senator from Oregon from the floor.

Mr. McNARY. I yield to the Senator for that purpose.

Mr. BORAH. I would like to ask whether the report made by the committee referred to was in writing?

Mr. ROBINSON of Arkansas. I do not think so.

Mr. McNARY. The resolution is found in the report on the Senator's desk. That resolution was passed in November, but does not specify the amount they agreed upon, $60,000,000, which was agreed upon at a meeting a month earlier.

Mr. BORAH. Did the committee pass a resolution at their meeting in October in which they specified that they thought that $60,000,000 was necessary?

Mr. McNARY. If so, it was not in the possession of the department. But the President appointed the Secretary of Agriculture as chairman of the committee. He in turn appointed Doctor Warburton, who is the head of the Extension Service, as the secretary of this great conference. Doctor Warburton is authority for the statement that they agreed upon $60,000,000.

Mr. SWANSON. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. I yield.

Mr. SWANSON. I understand that when the committee met they were unanimous in recommending $60,000,000. That was not put in the resolution. It was the Secretary of Agriculture, I think, who suggested that the amount they agreed upon should not be named in the resolution.

I wish to say in this connection that as far as Virginia was concerned, the work of preparing the estimate was done

accurately, scientifically, and thoroughly. Former Governor Byrd, of Virginia, was chairman of the drought relief committee for the State. He gave a great deal of time to the matter. He appointed a committee in each county, and the chairman in each county made a thorough investigation as to the situation, as to the crops, as to the individuals he thought would need relief, and the extent of the distress. Governor Byrd assures me that Virginia will need at least $5,000,000 as a minimum in order to even halfway take care of the situation there.

Virginia has been afflicted, I think, more than any other State in the Union. The conditions in many portions of Virginia are really worse than they were immediately following the Civil War. It is impossible to exaggerate the extent of the distress, the failure of all kinds of crops there. The crop of vegetables, wheat, corn, nearly every kind of crop there, has been a failure.

It is a wretched condition. The people are in need of relief, and in need of it quickly. If this measure is not passed by January, so the people can prepare for their crops and get seed and get all the ingredients necessary to make a crop, the condition next year also will be very bad. I am satisfied from what Governor Byrd has written me that $60,000,000 is a conservative estimate of the extent of the distress which needs immediate relief and I hope the measure will promptly pass.

Mr. McNARY. The joint resolution provides that the Department of Agriculture shall exercise its discretion, and we know it will do so according to its best judgment. It is not for the Secretary of Agriculture to purchase food to distribute among these people, but he may loan money to them for the purpose of buying food, seed and feed, and so forth, and take a mortgage upon the growing crop, which the provisions of the resolution say may be sufficient security.

With that short statement I shall be content to submit the matter to the consideration of the Senate.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. McNARY. Certainly.

Mr. KING. I wish to ask the Senator if the recommendation has not been made, either by the President or Secretary Hyde, that $25,000,000 is all that is required for this purpose?

Mr. McNARY. Yes; I so stated.

Mr. KING. I was called from the Chamber momentarily and did not hear all of the Senator's statement.

Mr. McNARY. On the 4th day of December I introduced a bill embodying the views of the Director of the Budget and the Department of Agriculture, calling for $25,000,000 and omitting the commodity food.

Mr. KING. Does the Senator believe that the difference between $25,000,000 and $60,000,000 is justified by the amount which will be probably appropriated or used for food purposes?

Mr. McNARY. I think they bear no relation one to the other.

Mr. KING. The Senator thinks that the facts are of such character as to call for a much larger appropriation than that recommended by the President?

Mr. McNARY. I do not know what the appropriation will be. I am discussing the proposed authorization. Whether it is $60,000,000 or $25,000,000 that will be needed, I do not know. It may be that $20,000,000 will do it, but I propose, so far as my vote is concerned, to clothe the Secretary of Agriculture with sufficient authorization and power to relieve these distressed people.

Mr. BORAH. Mr. President, it is probable that the amount specified here is necessary. The only thing I am interested in is to know upon what facts the committee relied to have the particular amount included in the joint resolution. I do not find any report from the committee or a report from anyone else indicating the different items which constitute this amount. I presume when we come to make the actual appropriation undoubtedly those things will be at hand. I certainly hope so.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. BORAH. I do.

Mr. CARAWAY. While there is nothing in the resolution passed by the committee which met here in Washington, yet individual reports and estimates from the various States were published in the RECORD some days ago. I am talking now about the amount necessary and the purpose for which it is to be used. For instance, in my State a conservative estimate called for $12,000,000 for that State alone. In other words, there are 81,000 families who are practically destitute. I do not think the Senator could have any conception of the condition that actually exists in some of the States. There are fields which have been cultivated as usual and the amount of corn produced from them would not feed for a single month the horses that made the crop. What we are pleased to call "cash crops" were likewise an utter failure.

As I said, using the language of the gentleman who was chairman of the relief committee in Arkansas and who is a man of large business experience, possibly the largest of any man in the State, $12,000,000 will be required in that State unless the Lord or the Red Cross takes care of the people, and he seemed to be somewhat doubtful about the Red Cross being available. If the Senator will go over the various reports from the various States, he will find that $60,000,000 is a reduction of about 50 per cent in the estimate of each State in order to give the very lowest possible figure.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. I wish, in a general way, to corroborate what the junior Senator from Arkansas [Mr. CARAWAY] said by simply referring to the situation in Kentucky. The chairman of the drought committee appointed for Kentucky is an outstanding business man. There were no political considerations whatever that played any part in the appointment of the committees, either in the State or the counties. Out of 120 counties in the State of Kentucky a drought-relief committee was appointed in 103 counties, and up until the day when the Committee on Agriculture and Forestry had its hearing last Friday, 65 of those counties had reported that they had made a systematic survey and found that an average of 425 families in each county where a report had been made to them need the farm-loan relief, which is provided for in the joint resolution. They recommended a minimum of $10,000,000 for the State of Kentucky as the amount necessary.

The Farm Bureau Federation, which, as the Senator knows, is a permanent organization and not created for the temporary purpose of looking into the present drought situation, but which has existed previously in Kentucky and other places over a period of many years, estimated that based upon their survey through their local farm-bureau federations it would require $18,000,000 in the State of Kentucky.

In my State the drought has existed from last April until the present time. There are large areas in Kentucky where the farmers are hauling water now for the purpose of watering their stock, because the soil is so dry that the rains which have occurred have been soaked up by the parched soil, and there has been no accumulation of water in the branches and creeks and ponds out of which they ordinarily water their stock. As early as last April when I was in Kentucky the farmers were complaining of the dry weather. They had difficulty in the planting of crops and as a result their reports show that, comparing 1929 and 1930, the production of tobacco is as 27 to 10, showing the effect of the deadly drought upon the planting of the crop. Based upon the knowledge which I have of conditions in my own State, I am sure that even if Congress should appropriate the entire $60,000,000 it will be no more than is needed.

Mr. BORAH. Would the fact that the joint resolution includes food, and so forth, and the Budget bill did not in-

clude food, make the difference between $25,000,000 and $60,000,000?

Mr. BARKLEY. It is difficult to say how much difference it would make. It might depend upon the size of the families, taking the individual families, and also the number of stock that would be fed by the feed. But I am unable to reconcile my idea of drought relief with merely furnishing feed so that a farmer may carry his stock through the winter in order that he may plant his crops in the spring and at the same time leave his family without any food. I understand the Senator from Idaho does not take that position. I do not know whether the additional $35,000,000 will be necessary or not, but personally I do not think that $25,000,000 would be sufficient, even eliminating the question of food.

Mr. HEFLIN. Mr. President, I want to say to the Senator from Idaho [Mr. BORAH] that my own theory is that this amount will not be sufficient. The commissioner of agriculture of my State, who has made a very careful survey of the entire situation and who is probably better informed than anybody else in the State on this subject, has written to me that he believes that $10,000,000 could be used in Alabama and then not cover the entire situation.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. LA FOLLETTE. Mr. President, will the Senator yield before he proceeds?

Mr. ROBINSON of Arkansas. Certainly.

Mr. LA FOLLETTE. I should like to ask the chairman of the Committee on Agriculture and Forestry if he can state how much the estimates submitted from the various States have been reduced to arrive at $60,000,000, and upon what theory were the reductions made?

Mr. MCNARY. I had hoped I made myself clear earlier when I stated that the conference held in October in Washington of representatives of the various States affected had reached the conclusion after an all-day session that it would require $60,000,000 to meet the unfortunate condition. When the matter was submitted to the Director of the Budget on the 2d day of December he sent a bill to the chairman of the committee eliminating the commodity food and reducing the amount to $25,000,000. I am not prepared to state what the Director of the Budget had in mind. There are no facts before the committee. I am willing to trust the amount of the authorization to those who were representing the States at the conference.

Mr. LA FOLLETTE. If the Senator from Arkansas will permit me further——

Mr. ROBINSON of Arkansas. Certainly.

Mr. LA FOLLETTE. The junior Senator from Arkansas [Mr. CARAWAY] stated that the various States affected by the drought had made estimates of the amount of money that would be necessary in order to afford adequate relief to the people living in the drought-stricken areas. As I remember it, he said that $12,000,000 would be needed in Arkansas. The Senator from Kentucky [Mr. BARKLEY] stated an estimate from his State of $10,000,000. The Senator from Alabama [Mr. HEFLIN] then stated that the estimate from his State was likewise for the sum of $10,000,000. If that be true, we find that the estimates made by the people most familiar with the situation from only three States would absorb $32,000,000 of the $60,000,000 fund.

The point in which I am interested, not being a member of the committee, is upon what theory or upon what formula the estimates of the various States as to the amount required were reduced from the total which they considered would be required to the $60,000,000 as contained in the measure now before us.

Mr. ROBINSON of Arkansas. Mr. President, while I am not a member of the committee, I think I can answer the question to the satisfaction of the Senator from Wisconsin, although I did not understand him to be addressing the question particularly to myself.

Mr. LA FOLLETTE. I am addressing it to anyone who can answer it.

Mr. ROBINSON of Arkansas. What happened was that the President suggested that each of the States vitally affected by the drought problem should constitute committees with an organization in the various counties and townships so as to make certain that a proper and accurate survey, as nearly as could be made, would become available.

That course was followed, and, as I said a few moments ago, in the time of the Senator from Idaho, what might be termed a scientific investigation was made. There was no legal basis for determining just what expenditures or advances would be required, and at last the element of estimate necessarily entered into it.

When the chairmen of the respective State committees met in Washington, they put together their estimates and agreed upon a total sum which they felt would be adequate for the purposes contemplated by the joint resolution of the Senator from Oregon [Mr. MCNARY]. That sum aggregated $60,000,000. Sixty million dollars, in my judgment, would not fully meet the requirements of a sympathetic administration of the provisions of this joint resolution, although it is a liberal allowance, in view of the course that the matter has taken.

I pass now to a discussion for just a moment of the attitude of the Secretary of Agriculture. It is, of course, of primary importance that the agency constituted by the joint resolution to administer it shall be reasonably sympathetic with its purposes. I have no disposition whatever to question the Secretary of Agriculture as meeting that essential qualification, but it is rather peculiar to me that the member of the Cabinet who had acted as the general chairman of the committees that made this investigation, who took their procedure under his supervision, in a sense, should find it necessary to attempt to influence the action of the Congress touching the legislation by the issuance of a statement opposing their finding, which statement I shall show before I take my seat is based on wholly and singularly mistaken assertions.

Assuming that the Associated Press report of the statement, which, by the way, has already been referred to by others, is correct, I shall point out some of the features reflecting the Secretary's attitude which has a direct relationship to the amount to be carried in the joint resolution. The Secretary is very decisive in his opinion that those precedents which have limited appropriations to supply seed for sowing and feed for livestock shall be followed in this case, and in the statement makes reference to those precedents, declaring that to depart from them would occasion some mysterious but very great danger. He states or is quoted as stating:

> To include loans for human food in the Federal drought relief bill would remove occasion for an increase in the highway work in the States.

If that statement originated from any less reputable source, I should feel myself at liberty to characterize it as silly. Anyone who has the slightest familiarity with the operations usually carried on by farmers must know that a mere provision giving the farmers work during the winter season when they are not engaged in producing their crops, a provision enabling them to work on the highways and to earn a sufficient amount to live upon during that time, would not meet the requirements of the crop-producing season when the farmer must go into his field and plant and cultivate his crops. It is necessary, of course, to give him employment during the winter months, if it can be done, so that he and those dependent upon him may not experience distress and suffering; but to do that only would be wholly inadequate, because it is even quite essential to assist him to carry on after the winter season shall have passed.

The situation in the area affected by this proposed legislation is different from any that has ever occurred heretofore, at least within my memory. There exist no available sources of credit for the ordinary farm producer in those regions. Half the banks are in receivership already; few banks can make loans or advances to enable farmers to produce crops. Back of that situation, with respect to banking, is a similar condition relating to the merchants of the country.

The farmers, having been unable because of an almost complete crop failure in some sections to meet their bills, the merchants are unable to meet their obligations and are

also finding it impossible to procure the means with which to make advances during the approaching season. If I took this entire day, and exhausted all the language at my command, I should still leave an inadequate picture of the misery, the desolation, and the suffering that exist in many sections within the drought area.

In another part of the statement to which I have alluded the Secretary refers to the precedents confining appropriations of this character to the purchase of seed and feed and fertilizers; and he seems to think there is something grossly abusive about authorizing the purchase of food. He refers to the dole. It is all right to put the mule on the dole, but it calls for condemnation to put the man on an equality with the mule.

If there existed sources of credit which could be drawn upon in this emergency, the pending joint resolution would not be presented; it would not be asked for, for these people, in spite of their desperate situation, are a proud and honorable people. They do not ask charity. There are, of course, many cases where charity necessarily is being dispensed through the Red Cross, but the Red Cross is not reaching, and it can not reach, a major percentage of the cases where relief is really required. The Red Cross is doing a great work, but the majority of these citizens seek the opportunity to work; they want the opportunity to earn their living. They are not mendicants, and they do not wish to be placed in that class. If we make them loans or advances, with or without security, and the results of their labors in the production of a crop are successful, they will pay back these loans, and those who are so greatly distressed about depleting the Treasury of the United States will have their anxiety relieved.

As an illustration of the singular attitude of the Secretary regarding precedents, I want to call to the attention of the Senate an act which Congress passed for the relief of the distressed and starving people of Russia, approved December 22, 1921. I will read following the enacting clause, but will ask that the entire act may be printed in the RECORD.

The VICE PRESIDENT. Without objection, the act referred to will be printed in the RECORD.

The act referred to is as follows:

[PUBLIC, NO 117, SIXTY-SEVENTH CONGRESS]

[H. R. 9548]

An act for the relief of the distressed and starving people of Russia

Be it enacted, etc., That the President is hereby authorized, through such agency or agencies as he may designate, to purchase in the United States and transport and distribute corn, seed grain, and preserved milk for the relief of the distressed and starving people of Russia and for spring planting in areas where seed grains have been exhausted. The President is hereby authorized to expend or cause to be expended, out of the funds of the United States Grain Corporation, a sum not exceeding $20,000,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this act: *Provided*, That the President shall, not later than December 31, 1922, submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted through the agencies selected by him, under the authority of this Act: *Provided further*, That the commodities above enumerated so purchased shall be transported to their destination in vessels of the United States, either those privately owned or owned by the United States Shipping Board.

Approved, December 22, 1921.

Mr. ROBINSON of Arkansas. Mr. President, I wish to comment on this paragraph of the act:

That the President is hereby authorized, through such agency or agencies as he may designate, to purchase in the United States and transport and distribute corn, seed grain, and preserved milk for the relief of the distressed and starving people of Russia and for spring planting in areas where seed grains have been exhausted.

The language there, of course, may be questioned from a grammatical standpoint. The milk was not intended for "planting purposes"; the milk was intended to feed starving Russians, men, women, and children. In that case the Congress of the United States appropriated $20,000,000 to be spent in a foreign land for the benefit of people who neither owed nor recognized allegiance to our flag.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Virginia?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. GLASS. At this point may I call the Senator's attention to the fact that I hold in my hand an act approved February 25, 1919, passed upon the explicit and urgent recommendation of the then Food Administrator, Mr. Herbert Hoover, appropriating the sum of $100,000,000 to feed the starving people of Russia and contiguous nations abroad. I ask that the act to which I have referred may be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The act referred to is as follows:

[PUBLIC, NO. 274, SIXTY-FIFTH CONGRESS]

[H. R. 13708]

An act providing for the relief of such populations in Europe, and countries contiguous thereto, outside of Germany, German-Austria, Hungary, Bulgaria, and Turkey, as may be determined upon by the President as necessary

Be it enacted, etc., That for the participation by the Government of the United States in the furnishing of foodstuffs and other urgent supplies, and for the transportation, distribution, and administration thereof to such populations in Europe, and countries contiguous thereto, outside of Germany, German-Austria, Hungary, Bulgaria, and Turkey: *Provided, however*, That Armenians, Syrians, Greeks, and other Christian and Jewish populations of Asia Minor, now or formerly subjects of Turkey may be included within the populations to receive relief under this act, as may be determined upon by the President from time to time as necessary, and for each and every purpose connected therewith, in the discretion of the President, there is appropriated, out of any money in the Treasury not otherwise appropriated, $100,000,000, which may be used as a revolving fund until June 30, 1919, and which shall be audited in the same manner as other expenditures of the Government: *Provided*, That expenditures hereunder shall be reimbursed so far as possible by the Governments or subdivisions thereof or the peoples to whom relief is furnished: *Provided further*, That a report of the receipts, expenditures, and an itemized statement of such receipts and expenditures made under this appropriation shall be submitted to Congress not later than the first day of the next regular session: *And provided further*, That so far as said fund shall be expended for the purchase of wheat to be donated preference shall be given to grain grown in the United States.

Approved, February 25, 1919.

Mr. ROBINSON of Arkansas. Yes; there are precedents. It is right to go into the Treasury of the United States to feed those in distress in foreign countries, but, from some mysterious and inexplicable process of reasoning, it is wrong to give to our own citizens relief from funds which they have contributed to the Treasury of the United States. Unless I am mistaken, the President, whose experience in matters of relief is known throughout the world, was the distributor of this relief. However lacking in information the Secretary of Agriculture may have been, the President knows that when famine has threatened a foreign country the United States has been quick to take the money of our citizens and give relief.

It is not a forceful argument even to those who have no comprehension of what is really occurring in our own country, it is no argument to those who may be indifferent to the misfortunes or calamities of their fellow beings, to say that because sometimes the Government has restricted funds appropriated for the benefit of its own people to the purchase of seed and feed, while on other occasions it has distributed food with a lavish hand in foreign lands, we must follow the narrow precedent with respect to our own people, and be more generous to those of other countries.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. LA FOLLETTE. I have not had the advantage of reading the Secretary's statement, but I should be interested to know upon what theory he comes to the conclusion that the fact that food relief is provided in this joint resolution would make it unnecessary to construct public highways.

Mr. ROBINSON of Arkansas. I have discussed that matter. I think he discloses his lack of understanding of the problem. The highway proposition is to give employment in the construction of farm-to-market roads, roads into rural communities, during the winter season, before the crop season begins. The two measures supplement each other, and neither can properly be said to be completely effective without the other.

Mr. BLACK. Mr. President, I send to the desk and ask to have read a telegram just received from the commissioner of agriculture of Alabama.

The VICE PRESIDENT. Without objection, the telegram will be read.

The legislative clerk read as follows:

MONTGOMERY, ALA., *December 9, 1930.*

Senator HUGO BLACK,
Senate Office Building:

The administration proposes hundreds of millions for relief of industrial unemployment and opposes sixty millions for agriculture. Agriculture is only asking a 10 months' loan with interest, which will be repaid and be available for other appropriations. Sixty millions entirely too small. Should be a hundred millions.

SETH P. STORRS,
Commissioner of Agriculture and Industries.

Mr. RANSDELL. Mr. President, I wish to read first a telegram from Hon. B. F. Thompson, chairman of the drought-relief commission of my State of Louisiana. It is dated December 3 and addressed to me:

May I ask your earnest support of drought-relief measure now under consideration in both Houses of Congress? Condition caused by drought is serious in central north Louisiana. Farmers in that section must have help outside and beyond local resources to carry on next year.

Then, in a letter dated the same day, he elaborates a little on that idea. The letter is from him at Alexandria, La., and is dated December 3:

The bill as introduced, calling for $60,000,000, was indorsed by representatives of 21 States, comprising the drought area of the country. This measure has the support of the administration, and, representing Louisiana as chairman of the drought-relief committee, I felt that I could pledge the support of the entire Louisiana delegation, as this is a nonpartisan, nonpolitical measure.

I could not describe the conditions in the hill sections of Louisiana worse than they are; and, as stated in my telegram, these people must have help from outside sources. It is my opinion that help available by the passage of the present considered measure will be more helpful to our people than any other source.

It has been my earnest desire to avoid asking charity or a dole.

I also hold in my hand a letter from Hon. W. B. Mercier, director of extension of the University of Louisiana. It is from Baton Rouge, dated the 3d day of December. Among other things, it says:

Almost half of our parishes, as you know, are in dire distress, and there are thousands of people that if they can not receive relief from some source will not only suffer but will be forced off of the farms, and we think this would be disastrous. We think practically all of them do not want to be objects of charity, but want temporary relief that will give them an opportunity to get back on their feet.

Our organization has done everything possible to relieve the situation in the distressed territory, and, of course, will continue to do so. We feel that it is urgent that Congress take action on this measure as soon as practical, in order to let the relief committee know what the people may expect.

Mr. President, I do not know that I can add anything to the remarks already made by other Senators from the stricken regions. I assure you, sir, that the people of Louisiana—and I believe that is true of all the people of the drought and storm stricken areas—are not mendicants before the American Congress. They are not here asking charity; but they are asking for what they believe they have a right to ask—an extension of credit to assist them in tiding over a situation due to no fault of their own.

These storms and droughts were acts of the Creator of the Universe. They are entirely beyond the control of the local people. And when they have been made to suffer as they are now suffering and must suffer unless relieved by some one, upon whom can they call for relief better than the National Government?

As explained by the Senator who has just spoken, we were liberal with our assistance to the stricken people of foreign countries. We have in the past ofttimes helped people in distress; and now surely we can come to the relief of our own people when it is a wise thing—not only a beneficial thing to them but extremely wise from every viewpoint of the political economist—to help these people help themselves.

I assure you, Mr. President and Senators, that in my humble opinion if you give the desired relief in the way of loans to the farmers of the stricken regions of Louisiana you will lose a very small percentage of these loans. These people are not asking gifts. They are asking credit to assist them make and gather crops during the next cropping season, 1931. If some one does not assist them, as stated in this letter of Mr. Mercier, they will be forced to abandon their homes. Many of them will then become public charges. Their farms will grow up in weeds, and the terrible burden of unemployment which is so unfortunately prevalent throughout the Nation at the present time will be greatly aggravated. I see no reason on earth against this proposition but every reason in favor of it.

There is a dispute as to the amount that is needed. Let me remind the Senator that the pending joint resolution is not an appropriation. It is merely an authorization for an appropriation, not to exceed $60,000,000, for this purpose. Suppose we pass the joint resolution. I imagine the first act of the Appropriations Committee will be, let us say, to appropriate and make immediately available $30,000,000, one-half of this sum. Congress will remain in session until the 4th of next March. Later on, as the Secretary of Agriculture ascertains that he needs the full amount of $60,000,000, he will ask for it. It is in his discretion, and after the appropriations are made he is not forced to spend the money unless he finds it necessary. But it certainly would be most unfortunate for Congress to authorize less than the amount which this committee, representing 21 States, said was necessary.

I hope there will be not a single vote against this measure, which in my judgment is one of the most timely and best that has recently been presented to this body.

Mr. JONES. Mr. President, just a word.

In the various reports that I saw in the papers from time to time the State of Washington was not mentioned as one of the drought-affected States. I am glad, however, to see that the committee in its report takes cognizance of the situation in that State. There are about 500,000 acres in the central northern part of the State of Washington devoted to wheat raising that have had the most severe drought this year, I think, in the history of the State. It is absolutely essential that provision shall be made by which the settlers there may have relief.

I have introduced a bill authorizing the appropriation of a million dollars. I find that that is probably not enough to take care of the nearly 500,000 acres affected in the drought area. I feel confident, however, that if the needs there should show that $1,500,000 should be used to secure the necessary seed and take care of the situation that amount will be set aside for the purpose.

Mr. President, I have here a resolution passed by the Chamber of Commerce of Spokane which sets out very clearly the situation, giving the names of the counties which are affected. I ask that the letter from the president of the chamber of commerce and the resolution be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SPOKANE CHAMBER OF COMMERCE,
Spokane, Wash., December 3, 1930.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

MY DEAR SENATOR JONES: I am inclosing copy of a resolution adopted by the agricultural bureau of the Spokane Chamber of Commerce and approved by our executive committee, calling attention to the need for relief in the drought-stricken areas of central Washington.

I know it is not necessary really to call this to your attention, because it is a matter you are already well informed on and, I am advised, have introduced a bill calling for $1,000,000 to relieve this situation.

We are informed by the authorities at Washington State College, who have made a very careful investigation of the situation, that it will require a minimum loan of $1,500,000 to meet the needs of the farmers in this territory.

We appreciate what you have already done in the matter, and I am simply sending you this resolution that you may use it in any way you see fit to help to support the fight you are making.

Please let us know if we can do anything to give you additional support.

I am writing to all members of the Washington delegation, as well as to Senator McNARY and the Secretary of Agriculture.

With hearty good will and best wishes, I remain,

Faithfully yours,

B. H. KIZER, *President.*

Resolution

Whereas, owing to the severe and damaging frost in May and June, 1930, with hot and unprecedented dry weather following, different districts in the Big Bend country experienced an unprecedented crop failure so that in many instances farmers are without the necessary seed and feed to plant their acreage now in summer-fallow this coming year; and

Whereas this condition affects in the various districts about 700 farmers, with an estimated acreage of 450,000 acres of summer-fallow to be seeded, and affecting also an estimated population of from 5,000 to 6,000; and

Whereas we realize that help must be given these farmers if they are to plant this large acreage in crops this coming year and also be enabled to prepare a like acreage of summer-fallow during the season of 1931, and that if no relief will be provided the various districts will without doubt become depopulated and different farms which are now under cultivation will lay idle, and all work and efforts in building up the country for the last 30 years will be wasted: Now, therefore, be it

Resolved by the assembled delegates of Adams, Grant, Douglas, Lincoln, and Franklin Counties, State of Washington, That we request congressional action in behalf of loans to needy farmers in the drought-stricken areas of Washington for seed, feed, and operating expense necessary to plant the crop of 1931 and summer-fallow, and that copies of this resolution be forwarded to the President of the United States, the United States Senators and Congressmen from the State of Washington, and to the United States Secretary of Agriculture.

Mr. HARRIS. Mr. President, I offer an amendment to the joint resolution.

The VICE PRESIDENT. The Senator from Georgia offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the word "stricken," insert the words "or other agricultural," so that it will read:

To make advances or loans to farmers in the drought and/or storm stricken or other agricultural areas.

Mr. HARRIS. Mr. President, I am afraid that under the present wording of the joint resolution people in States like Georgia and other States would get no relief. Last year, when we made an appropriation to help the farmers get seed and fertilizer in the several States, 90 per cent of the loans made were paid by those assisted. The appropriation called for by the pending joint resolution would help the people of Georgia and other States tremendously. It is absolutely necessary for them to have some assistance on account of low prices of cotton and other farm products.

We should be trying not only to help in the drought-stricken areas, but to assist in every section of the United States, and unless the measure is amended in the way I have suggested, farmers in States like Georgia will not be able to get very much in the way of help.

There are some Senators who differ from me about this matter, but it seems to me that under the wording of the resolution as it is now before the Senate, many farmers who are in great financial distress can get no assistance from this appropriation.

Mr. McNARY. Mr. President, I am not clear about the interpretation of the language suggested in the amendment. We are trying to limit this measure to the drought and storm stricken areas of the country, and not attempting to meet financial depression which might exist on account of low price levels of agricultural commodities. Is that what the Senator is attempting to do?

Mr. HARRIS. No matter what condition brought about the suffering and financial depression of the farmers, I think such a measure as this should include all of them, all those who are suffering, regardless of what brought about their depressions.

Mr. McNARY. Regardless of whether it is a storm-stricken area or whether it is a drought-stricken area?

Mr. HARRIS. Yes.

Mr. McNARY. The Senator wants this measure to take care of the distressed financial condition of farmers in all the States where they need it?

Mr. HARRIS. Wherever they can not get assistance from their own merchants or bankers.

Mr. McNARY. I sincerely hope that such an amendment will not go on the joint resolution, because if it does and is kept there it will kill the measure.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Georgia [Mr. HARRIS].

The amendment was rejected.

Mr. GLASS. Mr. President, I think I have a reasonably consistent record against a great many measures of so-called farm relief which I regarded as unsound economically and ineffective of their purpose.

On this particular measure I feel constrained to say that, beyond all question of controversy, there is real necessity for relief of the drought-stricken areas of the country. We have had so many proposals for farm relief that the Senate naturally may be rather indifferent to any suggestion presented, and I am moved to give in a word my own observation and personal experience in testimony of the necessity for some relief.

In Virginia it is computed that at least $5,000,000 will be required to relieve the situation there. I am not disposed to quarrel with the Department of Agriculture about its estimates ordinarily, but I am disposed to accept the estimates of men like former Governor Byrd, of Virginia, who is severely practical in the discharge of all his public functions, and sane upon matters of public policy. For that reason I am going to accept his estimate and that of his colleagues rather than that of the Secretary of Agriculture.

It happens that I own and conduct a farm of 437 acres in Virginia. Last year I produced approximately 50 tons of alfalfa hay in excess of my requirements, the requirements of a large dairy establishment and stock farm. This year, with the absence of rain consecutively for four months, I did not produce a pound of hay on my 437 acres. I did not gather enough apples from my orchard to make a quart of cider. There was not a peach on one of the trees. We had no fruit; we had no farm produce of any description.

Had I been farming for a livelihood I would be a pauper. As it was, I was compelled to sell my herd of high-bred Jersey cattle at public auction in order to avert the necessity of buying high-priced feedstuffs through the winter for them. Had a farmer, undertaking to live on his farm, been compelled to do that, it would have been a total loss to him.

There prevailed all through the valley of Virginia and all through piedmont Virginia, extending down almost to the sea, a situation paralleling that in my immediate neighborhod which I have described. Therefore I know from actual personal experience and observation that there has been this providential affliction of the people, and that this proposal of relief is not only practical but merciful, and while I expect to vote against many of the extravagant proposals which have been made which would involve the Federal Treasury almost in bankruptcy, this is one item of expenditure which I feel constrained to support with my vote.

Mr. DILL. Mr. President, a few moments ago my colleague [Mr. JONES] spoke about the conditions in the State of Washington. I do not care to take any excessive time, but I should like to have printed in the RECORD as a part of my remarks a letter from Mr. Dan Krehbiel, president of the Big Bend Seed and Relief Association, of Lind, Wash., and also statistics showing what the actual need is at this time.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

DECEMBER 6, 1930.

Senator C. C. DILL,
Washington, D. C.

DEAR SENATOR: Owing to the lack of rainfall in occasional years throughout a large part of the Big Bend region where the fertility of soil has been proven and is unquestioned, occasionally disastrous crop conditions prevail and have been in evidence in 1923, 1925, and 1930. Previous to that time crops, owing to the rainfall of more or less extent which this country experienced up to 1923 from the time of the earliest settlement of this country, which began in about 1897, no relief was necessary and farmers who were attracted from the Eastern States after the record-breaking crop of 1897 populated this country and farmed with success during all of those years as evidenced by the many splendid farm homes and by the many extensive holdings many farm-

ers have acquired. From the time this section of the country became settled it has never experienced a crop failure as disastrous and as extensive as in 1930.

Our climatic conditions are such as to enable us to raise spring grain with success, also fall grain with still greater success, if fall rains appear early enough to warrant planting. Further, in connection with this, I wish to explain that in a large number of districts diversified farming can not be practiced, as that is impossible under the limited amount of rainfall which this country receives. We can only raise wheat, and only drought-resistant wheat. Experiments of diversification have been made for years, but without marked success.

Records of rainfall which have been kept for many years show that our average rainfall in past years in taking a period of 10 years, for instance, average about 11.75 inches. For the last 10 years I do not believe from the information we have that rainfall has exceeded an average of 7 inches, which means that under cultivation which was formerly practiced no successful crops could be produced, however, with the method now applied, the use of modern machinery adapted to the requirements of dry-land farming, early cultivation of summer-fallow, successful eradication of weeds, has made it possible to even raise crops and bring fair returns to the farmer under present average rainfall, provided we do not experience extreme weather conditions during the growing season as have prevailed during the season of 1922 and 1924 and 1930.

In 1922 and also in the two years of later date, as above stated, certain districts in the Big Bend country, including part of Benton, Okanogan, western Lincoln, southwestern Whitman, Adams, Franklin, Grant, and Douglas Counties, experienced crop failures owing to the existence of abnormal conditions during those years.

As I have gained from farm supervision for over 20 years a close knowledge of existing conditions prevailing throughout the different counties, having charge of the distribution of the two seed-wheat loans, one of them made and sponsored by private interests and one by the State of Washington, I feel warranted in stating that the two seed-wheat loans were successful. Any of the losses incurred in these loans were caused by the fact that the appropriations made for the loan by the State and also by private interests were delayed in many instances to such an extent that some of the farmers got seed wheat somewhat too late in the season. To illustrate this point, a farmer operating in northwestern Franklin County had 1,280 acres to seed, but had only seed enough to seed 640 acres, which he, of course, planted as soon as soil conditions permitted. He applied for seed-wheat loan to plant the other 640 acres. His application for various reasons was delayed, but as soon as the wheat became available he, together with his neighbors, planted it with dispatch. When the crop was harvested the returns from the 640 acres planted in time averaged about 20 bushels. The other 640 acres showed only an average of about 7 bushels per acre. I could cite many instances of that kind where seed was not planted in the proper time and our losses were caused by this factor of too late planting.

Further, I wish to state that until about 10 years ago mortgage companies, banking interests, many concerns, and private individuals throughout the Eastern States owned considerable acreage of land in the affected districts. They have made every endeavor to build this country up. The percentage of land owned or controlled by the above-named interests amounted to possibly 25 per cent or more at that time, the interests of these companies and private individuals does not amount to more than 5 per cent at this time. Many interested persons who are in touch with actual conditions place the percentage of land owned at the present time by these companies and private individuals at 3 per cent of the acreage involved.

As a further reason, during the last 10 years a very large acreage has been sold to the different farmers living within and operating in the different districts under crop contracts. This movement has been brought about by the fact that the individual farmers had to increase their holdings and farmed larger acreages in order to reduce their overhead and bring down the cost of production to a minimum. The affected districts produced good crops in the past year and will produce them again. The country has been successful as shown by their expansion, purchase of large number of expensive modern farm equipment, payments made on land purchases, either under crop contract or contract or by cash. My experience of 40 years has shown and proven to us that we very seldom have a crop failure twice in succession.

The acreage in summer-fallow and to be planted in 1931 is in excellent condition to produce a crop, is in far better shape and condition as a whole than in 1923 or 1925, the years of previous seed-wheat loans, when we had to turn down applications because the summer-fallow of the applicant was not in proper condition and as our climatic condition this fall relative to rainfall and snow is considerably better than it has been in the fall of 1929. The opinion expressed by competent farmers and other sources that considering the present moisture and summer-fallow condition that we can expect fair crop returns in 1931, providing no extreme weather conditions prevail during the growing season of 1931.

Realizing the extensive calamity which is in evidence in some parts of eastern Washington, an association for seed relief has been formed at Odessa, November 19. At a meeting held by the executive board of the association on November 26, after discussing the situation thoroughly and fully as to our requirements, it was decided and concluded that the amount of help to be asked be $2.50 per acre, this amount to cover the cost of seed and the expense of preparing our usual amount of summer-fallow acreage in 1931. The amount asked for will barely cover the expense necessary for labor, other necessary items, and seed, but the members assembled felt that our demands for help should be restricted to the lowest possible minimum, forcing the farmers to practice the utmost economy, so that they would be in a position to repay their loans even if only a light or fair crop is raised in 1931. As before stated, two loans were made, one in 1923 by the State and one in 1925 by private interests, and although the climatic conditions in those particular years were not of the best and, further, to the fact that in many instances seed did not become available in time so that seed could be planted in time, the returns of these loans show that about 87 and 93 per cent, respectively, was repaid by the farmers, and having had the active management in placing these loans and supervising and collecting I feel safe and warranted in stating that no loss would have occurred at all if all of the farmers who applied for loans would have gotten their seed in time, and I can not stress this fact too much.

Further, if our request for seed and relief will be considered favorably and will be granted, then the distribution of the funds allowed to the individual farmers is an important matter, to be considered as it would not be good policy to turn over to the individual farmers the entire amount asked for and allowed them at one time, and plans will have to be made that at first only the required amount for seed be made available plus about 10 per cent of the amount asked for relief. On completion of seeding the applicant to receive then 30 per cent, 15 days later another 30 per cent, and another 15 days later the balance of the remaining allowance. I consider it imperative that a plan of payment of this kind or some other kind be followed. The point I want to bring out is that all of the money made available should not be paid out to the different applicants at one time, but practical arrangements can be easily worked out.

Further, in former seed wheat loans, after seed had been provided for to the different farmers the necessity became apparent that these loans had to be followed up, checking them over during the growing season, and preparing a campaign for collection even before harvest started, and I attribute the success of the loans made to the close supervision. From statements I have heard made, the success of the loans made in eastern Washington far exceed seed wheat loans ever made by the Federal Government. I further believe I am correct in stating that the State of Washington has never asked for any farm relief from the Federal Government.

Very respectfully yours,

BIG BEND SEED & RELIEF ASSOCIATION,
DAN KREHBIEL, *President, C. N.*

DECEMBER 6, 1930.

Senator C. C. DILL,
Washington, D. C.

DEAR SENATOR DILL: Supplementing the data we have forwarded to you some time ago I herewith inclose detailed copy of the results of the questionnaire and also of the summary and further inclose copy of another letter giving information on different points which might come up for discussion.

Our data that we have so far is not complete for the reason that the misunderstanding and misleading reports in regard to this movement, the questionnaires that had been mailed out have not been returned as early as possible so that, therefore, our summary at this time does not show the actual demands. Another cause is also that some of the farmers in the different districts have not the mail facilities and, therefore, their applications are delayed. We are receiving applications daily. We have some on our desk but could not include them in the tabulation but they will be sent in at a later date.

Dear Senator DILL, we can not urge you too much that early assurance and availability of funds is very necessary and vital so that the farmers can plant their wheat in time in order to bring successful results.

Assuring you that your cooperation in this movement is now and will be in the future very much appreciated and thanking you in behalf of the farmers in Washington to bring this movement to a successful termination, I remain

Very respectfully yours,

BIG BEND SEED & RELIEF ASSOCIATION,
DAN KREHBIEL, *President.*

Summary of applications received so far

	Applicants	Acres farmed	Acreage of summer-fallow	Amount needed for seed and expense of operating farm
Adams County	126	177,620	88,040	$151,110.00
Grant County	141	129,529	60,425	164,923.90
Lincoln County	17	20,180	9,790	25,325.00
Whitman County	1	800	300	1,050.00
Franklin County	9	22,280	10,990	27,880.00
Douglas County	256	202,715	94,080	253,097.50
Total	550	553,124	263,625	623,386.40

Estimated number of applications, 800 to 1,000.
Estimated amount of money needed, $1,500,000.

Answers in reply to the questionnaires

Name	Acres farmed	Acreage of summer-fallow to be seeded	Amount needed for seed and expense of operating farm
ADAMS COUNTY			
A. J. Hailsback	1,700	700	$2,200.00
William Schnurbush	500	250	625.00
S. L. Watkins	1,750	750	2,250.00
Elbert K. Watkins	4,000	2,000	5,000.00
Earl Fauser	960	450	1,815.00
J. B. Finkbeiner	1,600	800	2,000.00
Lucy M. Schoenrock	2,560	1,250	3,215.00
James Johnson	2,500	1,250	3,125.00
Chas. W. Nye	1,440	450	1,880.00
W. C. Johnston	2,700	1,400	3,350.00
W. L. Wenselburger	1,920	900	2,430.00
C. J. Schrenk	1,100	600	1,350.00
John Hoffman	800	300	1,050.00
P. H. Haynes	640	320	800.00
Delbert Pence	5,380	3,380	8,380.00
Frank Gering	1,500	650	1,925.00
Leon Gering	1,500	650	1,925.00
John Dammel	1,440	720	1,800.00
Gottlieb Sackman	2,480	1,200	3,120.00
J. M. Campbell	4,000	2,000	5,000.00
A. M. Rayburn	1,870	920	2,345.00
Henry Baumgart	880	400	1,120.00
Carl Baumgart	800	400	1,000.00
Franz Bros	1,000	500	1,250.00
C. A. Weaver	1,600	640	2,080.00
J. O. Campbell	2,700	1,400	2,100.00
G. H. Dyck	2,500	1,100	3,200.00
P. L. Franz	2,280	1,280	2,780.00
A. J. Van Amburgh	1,390	820	1,675.00
Walter Waltner	1,280	650	1,595.00
John Scheller	800	400	1,000.00
Henry Dyck	2,300	1,200	2,850.00
Mrs. J. F. Smith	480	240	600.00
Joe G. Schrag	960	480	1,200.00
Julius A. Franz	3,000	1,600	3,700.00
L. L. Franz	3,000	1,600	3,700.00
A. C. Jansen	200	200	200.00
Walter Johnson	2,700	1,300	3,400.00
Wm. Sackman	640	320	800.00
Ernest Heider	640	320	800.00
Zach Taylor	480	240	600.00
Harris Taylor	2,080	1,000	2,620.00
Walter Gering	1,500	650	1,925.00
Floyd S. Hudlow	1,500	750	1,875.00
L. A. Woody	1,000	300	1,350.00
Frank Dyck	1,120	640	1,360.00
C. F. Klise	310	150	390.00
Jacob Kissler	1,500	700	1,900.00
A. P. Gering	3,000	1,250	3,875.00
Gus Kison	1,280	640	1,600.00
Reinhold Roloff	1,400	800	1,700.00
Fred R. Breit	1,040	500	1,310.00
Harold E. Johnson	1,600	750	2,025.00
Dave Phillips	6,000	3,400	7,300.00
Fred Erdman	1,280	600	1,620.00
John Sauer	2,360	1,100	2,990.00
E. C. Phillips	5,000	2,500	6,250.00
J. E. Wells	800	450	975.00
Jacob Schmidt, jr	1,700	820	2,140.00
John Weis	640	250	835.00
Ben L. Schmidt	320	120	420.00
Dan Kappel	1,120	640	1,360.00
Fred Zundel	380	180	480.00
Henry Hoefner	480	240	600.00
Reinhold J. Schuh	1,280	640	1,600.00
August Schumacker	800	400	1,000.00
Fred Koch, jr	960	480	1,200.00
Chris. Engelhardt	1,280	570	1,635.00
Con S. Heimbigner	1,180	700	1,420.00
Gottlieb Hille	940	360	1,230.00
F. C. Schorzman	900	500	1,100.00
G. Roloff	1,280	640	1,600.00
R. R. Schoonover	880	530	1,055.00
Dam Link	640	340	790.00
Henry Lesser, jr	480	240	600.00
Franz Foerderer	1,600	800	2,000.00
Andreas Schaal	1,040	530	1,295.00
Carl Kiehn	480	240	600.00
Herbert Steffen	960	480	1,200.00
Fred Janke	1,100	540	1,380.00
Jacob P. Gering	1,000	400	1,300.00
August Giese	1,600	700	2,050.00
John Grienwalt	950	600	1,125.00
Paul Gering	1,900	900	2,400.00
Ernest Hardt	900	450	1,125.00
Henry W. Rieke, agent	960	480	1,200.00
Geo. Iltz	560	290	695.00
Sam. Iltz	1,000	500	1,250.00
H. F. Lindell	1,080	440	1,400.00
Barto Para	3,000	1,300	3,850.00
B. H. Krug	800	370	1,015.00
John Hubner	290	160	355.00
H. W. Michel	3,250	1,650	4,050.00
T. R. Booker	2,380	1,280	2,950.00
J. B. Wilson	320	160	400.00
C. R. Wilson	480	130	655.00
T. W. Berry	2,200	800	2,900.00
J. H. Taylor	2,000	1,000	2,500.00
J. B. Gust	800	325	1,037.50
Fred Foederer	640	320	800.00
John Bischoff	1,240	700	1,510.00
Jos. G. Schrag	800	320	1,040.00
Fred Kissler	635	270	817.50

Answers in reply to the questionnaires—Continued

Name	Acres farmed	Acreage of summer-fallow to be seeded	Amount needed for seed and expense of operating farm
ADAMS COUNTY—continued			
John C. Kissler	480	240	$600.00
Wm. Weiss	960	480	1,200.00
Geo. Heimbigner, jr	800	400	1,000.00
Ewald Roloff	640	320	800.00
Henry Kiehn	680	260	890.00
Fred Uhrich	640	300	810.00
Simon Gust	800	400	1,000.00
Emil Sauer	540	220	700.00
Wm. Schwart	500	480	510.00
M. M. Pfaff	1,920	960	2,430.00
Jacob Maier	1,000	540	1,230.00
John Wornath	560	280	700.00
Miachael Pfaff	480	240	600.00
G. G. Maier	640	320	800.00
Alex Flather	960	500	1,190.00
G. E. Webb	1,280	640	1,600.00
Charles E. Moody	1,050	350	1,400.00
Albert Erdman	320	160	400.00
John Sauer, jr	2,720	1,300	3,430.00
John Maier	480	240	600.00
W. B. Kautz	4,400	2,400	5,400.00
George Melcher	1,085	585	1,335.00
Mike Leisle	720	480	840.00
	177,620	88,040	151,110.00
DOUGLAS COUNTY			
Frank B. Leahy	640	220	850.00
Bill Malone	640	120	900.00
John D. Preston	800	300	1,050.00
Wm. Snodgrass	640	240	600.00
P. F. Henniegh	700	280	910.00
J. W. Adkins	880	400	1,120.00
Jack Marlow	570	330	690.00
Mirl F. Wood	320	140	410.00
W. T. Wall	480	270	585.00
Domie Cavadini	320	160	400.00
Chris. Hansen	960	480	1,200.00
Marinus Niksen	960	500	1,190.00
Bert Peterson	480	260	590.00
R. J. Waters, jr	1,000	500	1,250.00
Orla Whitehall	480	280	580.00
George Uhrich	1,280	640	1,600.00
Harry C. Larsen	640	400	760.00
Louie Brandt	1,280	640	1,600.00
Oliver Riggs	850	450	1,050.00
William Swarat	320	160	400.00
Leslie R. Schacht	320	160	400.00
Wm. J. Weir	2,400	1,200	3,000.00
R. H. Ruhm	800	400	1,000.00
W. M. Jones	2,000	960	2,520.00
Chas. V. Slusser	1,600	800	2,000.00
H. W. Bogarth	3,600	1,400	4,700.00
A. L. Thoren	640	200	860.00
N. G. Klinkhammer	160	60	210.00
M. Stutler	1,200	600	1,500.00
Wade Troutman	800	400	1,000.00
J. G. Allen	470	240	585.00
Wm. Krueger	300	160	370.00
J. W. Brob	1,300	700	1,600.00
R. E. Miller	680	420	810.00
Albert Lamsen	180	90	225.00
J. C. Adkins	1,400	480	1,860.00
Ernest M. Logg	1,100	400	1,450.00
Fred S. Rice	300	150	375.00
John McKay	2,080	880	2,680.00
C. F. Schmidt	1,000	500	1,250.00
H. M. Painter	1,200	600	1,500.00
C. A. Nensen	1,000	500	1,200.00
H. J. Wyborney	400	240	480.00
Ed. Brandt	820	400	1,030.00
J. A. Cross	460	460	460.00
W. H. Asmussen	1,200	600	1,500.00
Jack McGrath	640	250	835.00
W. C. Rommel	640	280	820.00
John Bauderet	1,450	450	1,950.00
G. O. Thoren	640	320	800.00
J. A. Gordon	900	300	1,200.00
M. H. Snell	500	240	630.00
Forest V. Hunt	880	240	1,200.00
Fred R. Ward	720	300	930.00
C. A. Spurgean	2,000	800	2,600.00
Carl Matthiesen	600	300	750.00
John W. O'Brien	960	480	1,200.00
Jack Scott	360	200	440.00
Geo. E. Grant	500	300	600.00
Jas. Davis	100	30	135.00
J. J. Gallaher	1,000	300	1,350.00
Cecil Glessner	620	320	770.00
M. C. Summers	960	350	1,265.00
Scott Coleman	1,200	550	975.00
Joseph Bowska	840	150	1,035.00
Ray Wayburn	480	160	640.00
B. J. Baumgardener	960	500	1,190.00
R. M. Asmussen	500	200	650.00
Ira Moore	1,180	480	1,530.00
Geo. Jordan	1,200	570	945.00
Albert Preugschat	1,440	640	1,840.00
Randall Danzl	720	400	880.00
Nick Beckrich	320	160	400.00
Geo. Beckrich	1,300	650	1,625.00
Roy Wise	640	280	820.00

Answers in reply to the questionnaires—Continued

Name	Acres farmed	Acreage of summer-fallow to be seeded	Amount needed for seed and expense of operating farm
DOUGLAS COUNTY—continued			
J. L. Burgess	560	320	$680.00
Harry I. Steck	300	130	385.00
E. P. Hinderer	960	240	1,320.00
J. N. Packer	700	380	860.00
E. G. Longacre	840	420	1,050.00
Paul J. Hinderer	280	140	350.00
Einer Petersen	280	120	360.00
H. C. Suton	480	240	600.00
E. Luehring	680	360	840.00
Frank Webber	800	460	970.00
Josh Barnes	5,300	2,620	4,020.00
W. J. Marshall	1,000	500	1,250.00
Henry Peters	960	480	1,200.00
Owen Nelson	480	240	600.00
Theo. Hinderer	1,280	640	1,600.00
A. N. Gomby	1,700	660	2,220.00
Robert Jacobsen	480	160	640.00
Henry Leobsack	1,360	700	1,690.00
John Danielson	570	320	695.00
Ben H. Ludeman	720	480	840.00
Harold Petersen	960	480	1,200.00
Harry G. Ludeman	600	360	720.00
Chris. Mertens, jr	550	250	700.00
Rhea Supplee	520	200	680.00
Geo. Kinzbach	480	320	560.00
Wm. Besel	940	500	1,160.00
Here R. Ludeman	720	320	920.00
Conrad Besel, sr., and sons	1,120	600	1,380.00
August C. Koenig	860	400	1,090.00
W. J. Hawes	640	320	800.00
Carl Okland	600	240	780.00
Geo. Lassiter	450	265	542.50
Carl H. Viebrach	640	320	800.00
J. P. Jrechmus	800	360	1,020.00
Nick Petesrich	400	200	500.00
Dell P. Meies	3,040	1,600	3,760.00
Chris. Schmidt	1,120	400	1,480.00
T. S. Hedges	2,000	1,080	2,460.00
F. Rock	480	260	590.00
N. P. Nelson	1,200	640	1,480.00
R. M. Wiley	600	360	720.00
Curtis R. Carey	720	240	960.00
Jake Besel, jr	480	240	600.00
Geo. Gallagher	160	100	190.00
John Cardis	480	240	600.00
Willie Cardis	320	120	420.00
Henry Bourton	480	120	660.00
Frank Pixlee	1,500	835	1,832.50
C. W. Adams	560	200	740.00
L. J. Leander	1,200	750	1,425.00
Frank J. Pierpoint	640	320	800.00
P. L. Swank	400	240	480.00
J. E. Thoren	1,000	160	1,420.00
Jesse Pitts	800	450	975.00
G. B. Swank	480	240	600.00
P. C. Thomsen	600	200	800.00
John L. Harper	640	320	800.00
Ed. Wall	1,280	640	1,620.00
John Glessner, jr	240	100	310.00
Thomas T. Peterson	900	400	1,150.00
Carl Schilling	1,400	560	1,820.00
Johnnie Cavadini, jr	320	160	400.00
Frank Peckhorn	800	400	1,000.00
H. E. Smith	640	160	880.00
J. C. Lemley	450	350	500.00
Chas. Buckingham	400	200	500.00
John Murison	320	140	410.00
J. A. Buckingham	800	400	1,000.00
Theo. Schmidt	1,000	450	1,275.00
W. F. Ramsey	560	160	760.00
J. R. Henton	1,200	600	1,500.00
M. H. McKee	1,000	400	1,000.00
R. R. Reneau	1,300	250	1,825.00
C. T. Gollehon	320	200	380.00
Merill Nordby	1,200	800	1,400.00
E. G. Branscom	570	320	695.00
Hartzell Crosby	800	450	975.00
H. W. Matthiesen	800	320	1,040.00
George A. Murison	500	160	670.00
B. H. Greenwood	1,120	550	1,405.00
B. H. Henton	240	100	310.00
C. C. Beard	1,500	700	1,900.00
Geo. W. Hosier	500	200	650.00
Geo. Nilles	950	550	1,150.00
James Hayes	200	75	262.50
J. J. Ware	600	160	820.00
Andre V. Marchand	640	320	800.00
Valma A. Caille	640	320	800.00
Wm. Cornehl	940	350	1,235.00
Frank Harsh	800	495	952.50
Earl Rock	400	80	560.00
V. H. Taylor	280	80	380.00
D. S. Nelson	560	240	720.00
McDonald Bros	1,920	960	2,400.00
L. W. Rendell	430	190	550.00
L. F. Rendell	370	140	485.00
Thomas Meyer	180	140	200.00
Otto Jensen	600	300	750.00
S. A. Cress	250	100	325.00
W. B. Pennell	240	80	320.00
Hobert M. Price	180	40	250.00
H. G. Westerman	640	320	800.00
W. L. Gilbert	580	230	755.00
S. Rock	1,040	500	1,310.00

Answers in reply to the questionnaires—Continued

Name	Acres farmed	Acreage of summer-fallow to be seeded	Amount needed for seed and expense of operating farm
DOUGLAS COUNTY—continued			
Geo. Dark	640	210	$855.00
H. T. Suton	480	240	600.00
Henry and Carl Goll	2,000	1,000	2,500.00
Theo. Mittelstaedt	730	480	855.00
Harry R. Jones	800	400	1,000.00
George Wilcox	520	180	690.00
Ed. Jacobsen	960	480	1,200.00
R. V. Roth	800	300	1,050.00
Fred Fletcher	320	160	400.00
W. A. Fraley	1,400	700	1,750.00
Garfield Cox	640	320	800.00
F. W. Close	1,000	480	1,260.00
A. E. Halterman	900	500	1,100.00
Geo. Appel	600	300	750.00
R. V. Sylvester	640	320	800.00
Elmer Z Ford	680	200	920.00
John S. Harman	210	80	275.00
Arthur Schick	1,280	640	1,600.00
Walter McLean	1,000	280	1,360.00
Guy Moulton	640	200	860.00
W. E. Phillips	780	400	970.00
Robert Snell	330	90	450.00
S. J. Maline	1,120	500	1,430.00
D. C. Gallaher	2,000	1,000	2,500.00
Chris Jensen	1,280	680	1,580.00
John R. Jones	560	200	740.00
Fred Monk	840	360	1,080.00
Uley Pitts	400	200	500.00
James Leahy	800	300	1,050.00
V. M. Pitts	300	250	325.00
R. F. Davis	400	125	537.50
Frank Leahy	325	125	425.00
Wm. Sahrndt	390	80	545.00
Elliot R. Clart	560	250	715.00
Harry Lovejoy	390	70	550.00
Harry Willms	400	240	480.00
Henry Willms	705	305	905.00
Geo. & Hank Willms	1,080	730	1,255.00
Clifford Corderman	400	160	520.00
Herbert N. Wilcox	560	240	720.00
N. C. Nelson	570	270	720.00
S. G. Rolarts	800	300	1,050.00
W. E. Gaskill	420	280	490.00
Hayo Buse	960	500	1,190.00
L. D. Clark	300	150	375.00
C. Oliver Roued	320	100	430.00
Henry J. Willms	240	120	300.00
C. V. Ogle	400	180	510.00
S. E. Robins	750	400	925.00
C. A. Johannes	640	300	810.00
E. T. Schmidtman	1,400	700	1,750.00
Jacob Buse	700	240	930.00
C. E. Ross	640	320	800.00
Clarence Rinker	640	360	780.00
Manly Carderman	240	120	300.00
Henry McGrath	340	160	430.00
Jack Zones	480	240	600.00
Louis Berk	1,200	600	1,500.00
L. P. Hansen	1,040	280	1,420.00
Rocko Bront	130	65	162.50
Henry Witten	880	500	1,070.00
J. C. Tate	320	260	350.00
George Oppel	700	200	950.00
Arthur Arndt	350	160	445.00
J. G. Johnson	300	250	325.00
J. H. Irvine	160	60	210.00
Lawrence Doncan	3,000	1,500	3,750.00
Walter Madson	1,000	450	1,275.00
Ed. Doneen	1,280	600	1,620.00
Charles Kamholtz	685	100	977.50
Claude Estes	200	90	255.00
T. G. Dark	1,400	950	1,625.00
Clarence Kuhlman	800	150	1,125.00
Henry Kuhlman	800	150	1,125.00
C. J. Weaver	640	100	910.00
John P. Mulloy	600	200	600.00
John W. Brett	320	160	400.00
Total	202,715	94,080	253,097.50
GRANT COUNTY			
C. F. Nordhorst	560	340	760.00
E. E. Hirechel	640	320	800.00
C. C. Wanzer	370	50	530.00
Oscar Wagner	640	350	830.00
H. F. Timm	1,120	480	1,200.00
Wm. F. Stevens	480	200	620.00
J. P. Schroeder	1,560	450	2,115.00
Riley Perkins	1,036	300	1,404.00
A. I. Pfiefer	640	320	800.00
Henry Melcher, jr	960	640	1,120.00
Chris. Larsen	800	360	1,020.00
Frank Helmke	720	320	920.00
Jacob Hoefner	740	360	930.00
Leonard Forster	480	240	600.00
C. E. Fiess	640	320	800.00
Archie Finney	105	105	105.00
Oscar Finney	100	100	100.00
H. A. Biggs	640	330	795.00
Fred W. Arlt	1,800	640	2,380.00
Max R. Bruhst	780	380	980.00
Jacob Adolph	900	480	1,110.00
Wm. Ramm	640	320	800.00

Answers in reply to the questionnaires—Continued

Name	Acres farmed	Acreage of summer-fallow to be seeded	Amount needed for seed and expense of operating farm
GRANT COUNTY—continued			
Fred Bohnet, sr	640	320	$800.00
Theodore Jingling	640	320	800.00
Alden Gilbert	640	320	800.00
F. G. Pooley	400	140	530.00
Thomas Gills	640	300	810.00
Geo. Bareither	800	400	1,000.00
H. L. Franz	1,280	640	1,600.00
Martin Dormaier	800	400	1,000.00
Andrew Jantz	1,280	660	1,590.00
Reinhold Zundel	320	160	400.00
Fred Bohnet, jr	600	320	740.00
C. W. Oster	1,760	960	2,160.00
Abe Jantz	1,280	640	1,600.00
Anna Lehman	480	240	600.00
Jacob Jantz	1,280	620	1,610.00
Dan Tschritter	960	460	1,210.00
Gus Olander	880	440	1,100.00
Christ Ottmar	640	320	800.00
Henry Ottmar	880	400	1,120.00
Jacob Willging	800	320	1,040.00
George Lehman	480	240	600.00
P. J. Trautman	1,500	600	1,950.00
John Jingling, sr	700	320	890.00
Arthur Jingling	640	160	880.00
John Jingling, jr	640	320	800.00
Wendel Hamburg	1,760	880	2,200.00
Fred Jingling	640	320	800.00
John W. Andreas	600	200	800.00
John Weber	640	320	800.00
Wm. Schorzman	2,040	800	2,660.00
Burlie Martin	800	470	965.00
C. F. Petrie	500	250	625.00
H. L. Franz	1,280	640	1,600.00
Anton C. Heinhart	2,400	700	3,250.00
F. H. Jansen	1,740	480	2,370.00
J. B. Morrison	1,100	400	1,450.00
Henry C. Weler	480	160	640.00
Sam Reimann	950	450	1,200.00
Emanuel Schulz	640	320	800.00
Conrad Weber	800	400	1,000.00
Geo. Weber	640	320	800.00
Weber Bros	1,600	900	1,950.00
Emanuel Knest	685	445	805.00
Johan Schulz	2,175	1,175	2,675.00
J. J. Widmer	1,600	800	2,000.00
Chris. Dormaier	900	200	1,250.00
Russell Sieg	1,800	300	2,550.00
E. A. Coley	800	480	960.00
Theo Evers	2,080	320	2,950.00
A. H. C. Nyswonger	2,560	1,280	3,200.00
Ben F. Schmidt	1,120	600	1,380.00
Jacob Ottmar	1,500	750	1,875.00
J. F. Ottmar	640	320	800.00
C. H. Ottmar	500	300	600.00
John Willging, jr	1,925	760	2,507.50
Dan Borgens	320	160	400.00
Chris. Schuh	940	480	1,170.00
Wm. Schoessler	320	160	400.00
Dills Ranch	1,450	450	1,950.00
George F. Murphy	400	240	480.00
Oscar Carlson	700	400	850.00
Clyde Shephard	960	220	1,330.00
E. I. Evans	2,080	1,070	2,585.00
John Meyer	640	320	800.00
H. W. Padgett	600	300	750.00
Chas. L. Slaten	1,400	800	1,700.00
M. E. Jolley	400	320	440.00
R. L. Ross & Son	1,280	600	1,620.00
Claude Forrey	640	300	810.00
Ed. Spanger	340	170	425.00
Paul E. Vernier	640	320	800.00
S. C. Andrew	1,240	440	1,640.00
J. C. Johnson	600	300	750.00
Boruff Bros	640	320	800.00
Joe Bartley	100	40	130.00
Sam Green	525	300	487.50
C. G. Larson	800	350	1,025.00
W. L. Dillion	600	300	750.00
J. J. Elliot	550	300	675.00
Layman Bros	320	160	400.00
Harris R. Hansen	650	250	850.00
Ed. Heer	600	400	700.00
Chas. Norton	1,050	500	1,325.00
W. H. Daniel	1,400	600	1,800.00
Paul Mayer	4,500	2,000	5,750.00
Fay Smith	900	400	1,150.00
Wm. Schempp	2,450	1,100	3,125.00
E. C. Drinkard	1,180	520	1,510.00
W. T. Meyer	425	300	487.50
Lee Pitts	300	130	385.00
J. H. Beppla	675	335	845.00
Gust Beck	640	320	800.00
Fred F. Schell	960	480	1,200.00
G. F. Spies	2,700	1,160	3,470.00
Fred Bohmet, sr	640	320	800.00
Fred Schell, jr	640	480	720.00
Dan Spies	320	160	400.00
John Ruff	800	400	1,000.00
N. Burkholz	2,000	1,000	2,500.00
Daniel Roloff	1,120	480	1,440.00
Oscar Rauter	960	480	1,200.00
Christ Jeske	2,000	1,160	2,420.00
Henry Birks	640	320	800.00
E. A. Sapp	640	255	$832.50
Sam Wheeler	600	300	750.00
A. B. French	2,300	1,000	2,950.00
Ed. Schempp	600	320	740.00
Michael Olson	520	260	650.00
M. Kugan	480	440	500.00
W. F. Jones	300	90	405.00
Ben F. Schmidt	1,120	640	1,360.00
Emanuel Jingling	640	320	800.00
John Jingling, sr	640	320	800.00
Fred Schell	800	400	1,000.00
Jacob Oster	1,440	800	1,760.00
	120,529	60,425	164,923.90
FRANKLIN COUNTY			
Frank Lamb	2,800	1,000	3,700.00
Geo. Myers	1,280	600	1,620.00
H. C. Vogler, jr	7,480	3,800	9,320.00
W. S. Moore	2,000	1,000	2,500.00
Roy Kemp	1,120	640	1,360.00
Mettelstaedt Bros	4,400	2,000	5,600.00
Clifton Dougherty	800	450	930.00
L. E. Robinson	800	500	950.00
Thos. McNicholas	1,600	1,000	1,900.00
	22,280	10,990	27,880.00
LINCOLN COUNTY			
Fred Krell & Son	1,280	540	1,650.00
Henry Hardt	200	200	200.00
Chester H. Bruesch	1,020	560	1,200.00
E. M. Witt	240	120	300.00
Conrad Hein, jr	480	240	600.00
Otto Kallenberger	600	280	760.00
George Wacker	960	480	1,200.00
Charles Friedrich	630	300	795.00
David Kik	490	260	595.00
Morris S. Etter	1,280	340	1,750.00
F. D. MacMaster	500	260	620.00
Walter Waddell	450	160	595.00
Edd. Kruger	950	470	1,190.00
Herbert Doerring	1,000	600	1,200.00
Gus C. Schorzman	400	160	520.00
Joe Herman	640	320	800.00
L. P. Turner	9,000	4,500	11,250.00
Total	20,180	9,790	25,320.00
WHITMAN COUNTY			
Chas. A. Potter	800	300	1,050.00

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment to the pending joint resolution.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "food" and the comma, add the word "fuel" and a comma.

Mr. THOMAS of Oklahoma. Mr. President, if the amendment can be accepted, I do not care to discuss it. Otherwise I shall make a statement.

Mr. HARRISON. Let the amendment be again read.

The amendment was again read.

Mr. McNARY. Mr. President, may I apprise the Senator of my views on that subject?

Mr. THOMAS of Oklahoma. Certainly.

Mr. McNARY. I urge the same objection to this amendment that I urged a moment ago to the amendment offered by the Senator from Georgia [Mr. HARRIS], which was rejected by the Senate. There has been a very large expansion of these generous acts, and there is a time when we must set our faces against further enlargements.

The Senator is a member of the Committee on Agriculture and Forestry and helped frame the joint resolution. He knows that we have for the first time included food in such a measure, and I should dislike to see any enlargement of the uses which might be made of the money appropriated for these distressed sections of the country. I think amendments of any kind are calculated to prevent the legislation from being enacted and that they would destroy the possibility of the relief intended.

Mr. THOMAS of Oklahoma. Mr. President, perhaps I should state that when this joint resolution was considered by the committee I was not present. I was attending a

meeting of a subcommittee of the Committee on Indian Affairs, to which I had assented before I had notice of the particular meeting to which the Senator refers. For that reason I did not offer this amendment in the committee. Had I been present I most certainly would have offered the amendment.

This amendment, if agreed to, would entail but very slight expenditure out of the Federal Treasury. It would have no application to Virginia, because there fuel is plentiful. It would have no application to any Central Western State. But there are four counties in Oklahoma, in the southwestern part, adjoining the drought-stricken area of Texas, where during the past year the people have raised nothing. There is no timber in that section. Even if there were timber there it would be so expensive it could not be used for fuel. But in these particular counties, and in the northwestern part of Texas, fuel in the form of timber is not available. It would have to be hauled for a distance of 50 to 75 or 100 miles, or transported by rail. There is no natural gas in that section. As a result, the farmers in those communities are forced to use coal. While it does not take a great amount of coal, occasionally there are blizzards or "northers" coming across the prairies which make it necessary to have a supply of fuel on hand.

The report submitted by the chairman of the committee contains one sentence to which I desire to call attention, on page 2, as follows:

> The depleted income of farmers from reduced crop production, coupled with the necessity of making unusual purchases of hay and feed, has exhausted the resources of many farmers in the drought area.

To my certain knowledge that is true; and in the particular section to which I have referred, unless the drought-stricken population can have some help, perhaps the greatest suffering will occur during the periods of extreme cold which come occasionally in winter.

It is on behalf of four counties of the southwestern part of my State, and some counties in northwestern Texas, that I submit this amendment. It will not lead to a drain upon the Treasury, but it might in a number of cases relieve distress which would be most acute.

At this time I ask for a vote upon the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was rejected.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 255) for the promotion of the health and welfare of mothers and infants, and for other purposes.

Mr. JONES. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRISON. Mr. President, may I ask the chairman of the Committee on Agriculture and Forestry a question? I am in receipt of a letter from a gentleman who has given great study to this question and who has analyzed the various measures. He has propounded to me a question which I now wish to propound to the chairman of the committee. He quotes the language of the joint resolution on page 2, beginning in line 9, as follows:

> All such advances or loans shall be made through such agencies as the Secretary of Agriculture may designate, and in such amounts as such agencies, with the approval of the Secretary of Agriculture, may determine.

The question put to me is, "Do you think this is sufficient authorization to allow the Secretary of Agriculture to take stock in local agricultural corporations who establish an agency for the distribution of the fund?"

Mr. McNARY. That question is addressed to the matter of agencies. I think the language sufficient to include the proposal made by the author of the letter.

Mr. CARAWAY. As I understand the Senator, it is his thought that the Secretary of Agriculture under the provisions of the joint resolution may take stock in agricultural corporations?

Mr. McNARY. Oh, no; not to take stock. The question is as to the distribution of the fund.

Mr. CARAWAY. That was not the question, and I was afraid the Senator from Oregon did not understand it.

Mr. McNARY. He could not acquire stock in an agricultural organization. I thought we were to use these organizations for the purpose of distribution and other acts necessary to administer the provisions of the joint resolution.

Mr. HARRISON. My correspondent quotes from the joint resolution the following language:

> All such advances or loans shall be made through such agencies as the Secretary of Agriculture may designate, and in such amounts as such agencies, with the approval of the Secretary of Agriculture, may determine.

That is the language of the joint resolution.

Mr. McNARY. That is the employment of the agencies for the execution of the joint resolution.

Mr. HARRISON. Then the Senator does not think that the Secretary of Agriculture in his discretion could subscribe, say, $2 for $1 that might be subscribed by local interests to organize agricultural-relief corporations?

Mr. McNARY. Not for the purpose of affecting an organization, but he could employ their activities in the matter of distribution of the feed, fertilizer, or what not.

Mr. HARRISON. Has the Senator given any thought to the proposition to give to the Secretary of Agriculture the power to subscribe—and if this amount is not sufficient to make it larger—for stock in the agricultural-relief organizations provided the local community can raise a certain amount?

Mr. McNARY. I do not think the Secretary of Agriculture could employ this fund for subscribing to stock in agricultural corporations of any kind or in cooperatives, but he could use those agencies for the purpose of administering the joint resolution.

Mr. HARRISON. The Senator does not think it would be advisable to employ the department fund for that purpose?

Mr. McNARY. Oh, no; it would get away from the purpose which the committee had in mind and would not aid in the execution of the law for the relief of the people in the distressed areas.

Mr. SMITH. Mr. President, in connection with the suggestion of the Senator from Mississippi [Mr. HARRISON], under the appropriations for the relief of the storm-stricken regions of the Southeast, there was set up an independent organization for the distribution of the money under the Bureau of Economics in the Department of Agriculture. They had their own agencies and are still employing them in connection with the fund.

I want to say in this connection that there has been quite a discussion about the amount of $60,000,000. I do not think the Government ought really in an emergency of this kind to ask for interest on the investment, but that the cost of the distribution should be sufficient. They have collected, including interest, and turned back into the Treasury something in excess of 87 per cent of the fund, and still have some equities in properties not yet disposed of. In spite of the fact that in my State and in the adjoining States we had in 1928 the hurricane and in 1929 the flood, and in spite of the comparative failure of the crop, they have been able to pay back the percentage which I have just stated.

Mr. President, this distressing situation of agriculture, as a matter of course, is intensified in the drought-stricken region. I, as a member of the committee, was glad indeed to have an opportunity to vote for this amount. The chairman of the committee said to-day, that out of the $6,000,000 previous fund there was something like $4,000,000 only used. I know the $6,000,000 could have been used to the great relief of numbers who did not get any relief. I do not doubt that of the $60,000,000 fund nothing like the total amount is going to be used, but I want to call attention to the language of the proposed legislation in order to have set

forth in the RECORD my interpretation of it and what I think the administrators of the measure should do. The joint resolution reads:

That the Secretary of Agriculture is hereby authorized, for the crop of 1931, to make advances or loans to farmers in the drought and/or storm stricken areas of the United States, where he shall find that an emergency for such assistance exists.

I want to state frankly that in my State, perhaps, we have made the best crop this year that has been made in 11 years. I see by the press that South Carolina is the third State in crop production this year; that is, the third best. On account of the debts incurred in 1928 and 1929 and on account of the failure of the crops in 1928 and 1929, and on account of the absurd prices which were obtained for the cash crop the producers of this good crop are left in almost as destitute, if not quite as destitute, a condition as they were on account of the flood and hurricane.

As an illustration, in the midst of what is known as the bright-leaf or flue-cured tobacco section, producing an aggregate of 750,000,000 pounds of tobacco, the crop this year brought a little less than half of what the average price was last year. Last year cotton brought an average of about 18 cents a pound and this year an average of about 8 cents a pound. This means a loss of from $6.50 to $60 per bale. The cottonseed, which was a by-product but very valuable, has brought about one-half price, so that on account of the accumulated debts carried over from the previous two years, those in the storm-stricken region who made the crop have had it taken away to settle that debt, and they are about as destitute as those whom the drought has hit and caused to have a crop failure.

I hope, and I shall insist, that in the administration of this measure, wherever it is found that the producers of our crops have suffered by virtue of the storm and flood and the disaster of the drought, they shall be given consideration. My State is not mentioned, Florida is not mentioned, and yet there are areas in both of those States where absolute distress is being endured to-day. I wanted to take occasion to call attention to this fact for the reason that I am afraid that the administrators of the joint resolution might interpret it to apply to the certain States named in the report of the committee and in the intimation that it is purely a drought-relief measure.

Mr. McKELLAR. Mr. President, may I ask the Senator from Oregon a question? Did the committee consider the question of the Secretary of Agriculture making any report to anyone in reference to the distribution of this fund? I see no such provision in the joint resolution.

Mr. McNARY. There is a general statute requiring the administrators of all laws to report annually. It is never customary to specify or respecify such a provision in a measure of this kind.

Mr. McKELLAR. I remember when we appropriated $100,000,000 to be used for the suffering in Europe that such a provision was incorporated. It seems to me it would be better. I merely wanted to call the attention of the Senator to it.

Mr. McNARY. If there is any unusual neglect by the Secretary of Agriculture promptly to report to the Congress or the President, then a resolution may be passed calling for such a report.

Mr. FRAZIER. Mr. President, I think the need for a seed and feed loan is much greater this year than it has ever been before. The fact that we have had continued depressions in all agricultural States in the South and in the West makes it more imperative than ever before that we have sufficient funds to help the farmers put in a crop somewhere nearly normal this next spring. A year ago we were very late in getting the little farm-relief measure through, and in many of the Northern States at least the help came practically too late. We were the last ones to be taken care of, and the help came too late.

At the beginning of this session I sent out a questionnaire to each of the county auditors in North Dakota. I have received replies from county auditors or county agents in 40 of the 53 counties. All but two of those counties say that they will need quite a lot of assistance for their farmers. The number they give amounts to about 16,000, and it probably will run higher than that, because some of the counties I have not heard from I am sure will need some assistance from the Government. I believe I am safe in saying that North Dakota will need out of this fund at least $3,500,000 to properly take care of the situation there. One county auditor stated that they had a pretty fair crop in his county, but owing to the low prices and the general bad condition the bulk of their farmers were compelled to sell every bushel of grain they had, including anything they had planned to keep for seed, in order to pay the debts that were necessary to be paid and to keep their families through the winter. Therefore, practically all the farmers in that county would need assistance in order to get seed and also feed for their livestock, so as to enable them to put in a crop next spring, and that is the situation in a great many cases.

So, Mr. President, personally I am doubtful whether $60,000,000 is going to be enough to go around, but I am satisfied that at least that much is needed in order to take care of the emergency. Of course, however, if the joint resolution shall be passed very soon, and the work proposed by it be started, and it shall be found that more money is needed, I presume another measure authorizing a further appropriation may be passed later on. I certainly hope, however, that the joint resolution will be passed with the authorization of the appropriation for $60,000,000.

The VICE PRESIDENT. The joint resolution is before the Senate and is open to amendment. If there be no further amendment, the joint resolution will be read a third time.

The joint resolution was read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

The joint resolution was passed.

WELFARE OF MOTHERS AND INFANTS

Mr. JONES. Mr. President, I ask that the unfinished business may be laid before the Senate and proceeded with.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 255) for the promotion of the health and welfare of mothers and infants, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 14804) making supplemental appropriations to provide for emergency construction on certain public works during the remainder of the fiscal year ending June 30, 1931, with a view to increasing employment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 1759. An act for the relief of Laura A. DePodesta; and

H. R. 1825. An act for the relief of David McD. Shearer.

HOUSE BILL REFERRED

The bill (H. R. 14804) making supplemental appropriations to provide for emergency construction on certain public works during the remainder of the fiscal year ending June 30, 1931, with a view to increasing employment, was read twice by its title and referred to the Committee on Appropriations.

THE PRESIDENT'S STATEMENT ON RELIEF LEGISLATION

Mr. CARAWAY. Mr. President, I wish to have printed in the RECORD a letter, the writer of which sets forth the conditions in his county in Arkansas as being typical. I should have liked to have discussed the joint resolution which has just been passed. The Senate, however, was so anxious to have a vote on it that I refrained from doing so. I ask to include a letter from Judge E. A. Rolfe of my State.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

FORREST CITY, ARK., *December 6, 1930.*

Senator T. H. CARAWAY,
Washington, D. C.

DEAR SENATOR: I have got to the place I don't know what to do. If we don't get some help at once people and stock will starve. No work and no bread, no meat. Conditions are bad and no cause of the people. They have worked, raised one-half to one-third of crop of cotton and half price. All the farmer had to pay for the man to gather his crop so the cropper could live, and in many cases the landlord never collected any rent and the cropper never paid half what he was furnished to make the crop. Hundreds of head of stock will starve and will not be long about it. More corn was planted this year, more than had been for years. Not 1 out of 20 have any corn, little hay. We need help at once. Cotton is all out, nothing to do, nothing to pay for work on account of drought.

Yours truly,

E. A. ROLFE.

Mr. CARAWAY. Now, Mr. President, a great humanitarian paper has just come from the White House. I shall read it.

I observe—

Says the President—

that measures have already been introduced in Congress and are having advocacy, which, if passed, would impose an increased expenditure beyond the sums which I have recommended for the present and next fiscal year by a total of nearly $4,500,000,000 and mostly under the guise of giving relief of some kind or another. The gross sums which I have recommended to carry on the essential functions of the Government include the extreme sums which can be applied by the Federal Government in actual emergency employment or relief and are the maximum which can be financed without increase in taxes.

No matter how devised, an increase in taxes in the end falls upon the workers and farmers, or alternatively deprives industry of that much ability to give employment and defeats the very purpose of these schemes. For the Government to finance by bond issues deprives industry and agriculture of just that much capital for its own use and for employment. Prosperity can not be restored by raids upon the Public Treasury.

The leaders of both parties are cooperating to prevent any such event. Some of these schemes are ill considered; some represent enthusiasts, and some represent the desire of individuals to show that they are more generous than the administration or that they are more generous than even the leaders of their own parties. They are playing politics at the expense of human misery.

Many of these measures are being promoted by organizations and agencies outside of Congress and being pushed upon Members of Congress. Some of them are mistaken as to the results they will accomplish, and they are all mistaken as to the ability of the Federal Government to undertake such burdens. Some of these outside agencies are also engaged in promoting political purposes. The American people will not be misled by such tactics.

The reputation, whatever he has, Mr. President, of the President of the United States rests upon administering a relief fund which never cost him a cent. It rests upon extending relief to destitute humanity. If it were not for that, there would not have been anything to his biography except the date of his birth and a blank left for that of his death; and yet, without having done anything, Mr. President, or having made one recommendation that would at all relieve the conditions that confront this country, the President now lectures the Congress of the United States and those organized agencies for relief outside of Congress which are unwilling to sit down and see human beings starve because of maladministration and overwhelming misfortunes caused by natural agencies.

As to what is included, Mr. President, by the declaration that the leaders of both parties are cooperating with him in keeping down these expenditures, everyone will have to answer according to his own belief; but the societies outside of the Congress which are intended to be lectured I presume are quite well known. For instance, the American manhood who represented all that we offered in defense of American liberty from 1917 to 1918 is behind measures to have paid now the certificates of adjusted compensation. Therefore if the President is undertaking to say to the representatives of these 4,500,000 sons of America, who offered to die in order that American liberty might live, that they are unpatriotic, and that they are engaged in "playing politics at the expense of human misery," he will find no sympathetic response from the American people in that indictment of the American soldier.

If he is talking about societies representing the idle, who are not idle because they are not willing to work, but are idle because favoritisms have been extended to certain industries at the expense of the entire American citizenship until they can find no employment; if he is talking about the women who have come here and asked that food be given to the babies to keep them from starving, the President will find no sympathetic response in the American heart for an indictment of those who prefer that the Government should give something of its great wealth rather than that babies and their mothers shall starve.

If he is indicting those who speak for agriculture, the men who know something about the depressed condition of agriculture, who know, as I know, that there are thousands of farmers in my State who have not enough left of the last 12 months' labor of themselves and their families to care for them for a single week, his statement will strike no responsive chord in the hearts of the farmers of America.

Mr. President, although it may sound, I presume, to one with the President's viewpoint as entirely without merit, as good a farmer as any I know, a man who has been a member of the church and a supporter of its institutions for a generation, who is looked upon by the community in which he lives as an exemplification of what a good citizen ought to be—sober, industrious, honest, without a single extravagant habit, a man who has devoted a lifetime to creating wealth, is, as I learned the other day while talking with him, going through this winter without a rag of underwear. Yet I presume if anybody says that such a man, who has created the very things we eat and provided the material out of which the clothes we wear are manufactured, should have any kind of relief he is "playing politics."

Mr. President, who "played politics" at the expense of human misery? Every man who knew anything about the conditions that confronted the American people knew before the last election that millions of honest workingmen were walking the streets looking for jobs and could not find them. They knew a great disaster had fallen upon agriculture; but the man who now charges that people are "playing politics at the expense of human misery" for political reasons minimized the disaster that had befallen the American people. He was unwilling to admit, until after the election, that great numbers of American citizens, who, as I have said, had created the wealth of this country, were without the means of livelihood; there was no public acknowledgment of that fact by the President and no effort to relieve the situation, but, on the other hand, a suppression. Who, then, was "playing politics at the expense of human misery"?

Some indictments, Mr. President, ought to go unanswered, either because of the source from which they emanate or because of the general knowledge that the man who brings the indictment is without information and therefore excusable; but here is an indictment. At whose head aimed I do not know; I do not know whether it is aimed at the chairman of the Committee on Agriculture, who disregarded the President's recommendation for $25,000,000 and said that in this great disaster $60,000,000, in his judgment, represented a very moderate sum to be appropriated, or whether it is aimed at other members of the committee. I wish to say, however, Mr. President, with reference to this particular legislation that when the Committee on Agriculture came to consider it nobody "played politics." There were bills before the committee introduced by different Senators, but there was only one measure considered, and that was considered because it best met what it was thought the situation required. That measure received a unanimous report from the committee, a committee composed, if I may be permitted to group its members, of progressives, of regular Republicans, and of Democrats. Not one word, Mr. President, of political significance was uttered by either one of the groups. Everyone thought that the situation demanded relief and in demanding relief nobody "played politics."

I do not know whether the lecture was aimed at my distinguished friend the Senator from Massachusetts [Mr.

WALSH], who wears no man's collar and who on yesterday dared raise his voice in behalf of people who needed employment and for whom it was thought employment might be procured.

I wish the President would give us a bill of particulars; I wish he would say who are unpatriotic, and, incidentally, I wish he would say who are the leaders who are cooperating with him to deny people in distress the means the Government can supply. It would be interesting, Mr. President, to have that information.

Mr. BINGHAM obtained the floor.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to an observation on the matter just under discussion?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Massachusetts?

Mr. BINGHAM. I yield.

Mr. WALSH of Massachusetts. Mr. President, in order that we may fully understand the meaning and spirit of the statement issued by the President to-day, I should like to recall what happened in this Chamber yesterday that in all probability inspired it.

The first Member of this body yesterday to raise any question about relief other than that recommended by the President was a Republican, the junior Senator from Michigan [Mr. VANDENBERG], who dared to suggest that he favored cash payments being made out of the Treasury upon the adjusted-service certificates held by war veterans. This proposal was favored by other Senators. Later I proposed, by introducing a bill, that the Congress of the United States consider the feasibility and the practicability of putting all Government civilian employees upon a 5-day-week basis, with the hope that it would find employment for thousands of unemployed and in order that the Government might set an example to private industry that might result in spreading out the number of jobs that would be available for the unemployed.

In the course of my discussion of the merits of that bill I called attention to another relief measure, namely, that the Federal Government should pay back to the several States and municipalities 50 per cent of the increased burdens placed upon them by reason of the extraordinary demands upon the public treasuries of the States and municipalities in giving relief during this year and the next year.

Mr. President, all these proposals are "playing politics"! The right to petition the Congress for relief to the war veterans, to the unemployed, to the overtaxed municipalities—all these proposals by the Members of the Congress are for a "political" purpose! I would not charge the President with playing politics in declaring that there shall not be one dollar more levied in tax increases in order to furnish employment and to extend relief. I give him credit for honestly and sincerely believing that refraining from levying upon the income-tax payers of the country one dollar more in taxes is, in his judgment, the sanest and soundest course to pursue in this emergency. But why are we who dare to propose something additional to what he has proposed charged with playing politics?

Let us consider the bill for the relief of the drought sufferers, just passed and which was recommended by the President.

Mr. President, this joint resolution we have just passed was a measure to extend relief to those who are the victims of the recent drought. Is that playing politics? What, in Heaven's name, is the difference between asking relief for the men and women who have no work and the relief which is granted to those who are the victims of a want of water? The only logical difference is that some human beings are given preference because they are suffering by not being able to obtain water, while in other sections of the country human beings must be charged with "playing politics" because they seek relief when they are unable to obtain work. It is nonpolitical to relieve those who suffer from want of water but political to ask relief for those out of work.

Mr. President, let us at least be grateful that the President has in unmistakable terms, that he who runs may read, let it be known what the Chief Executive of this country contemplates doing in this hour of need and distress and misfortune. The language is clear. No emergency exists that necessitates further indebtedness. Whatever the emergency, whatever the appeal, whatever the cry that comes up from the suffering people of this country, he does not propose to levy one dollar more in increased taxes. That is one thing that is unmistakable about the statement that he makes. We know finally the yardstick he is to apply to the situation. He clearly chooses the safeguarding of the Treasury of the richest country in the world against all demands to relieve human suffering.

I challenge the President to name any Democrat in the United States of America, wherever he is, who will say that he agrees with the policy he has outlined for himself. I want that Democrat or Republican marked, and I want the American people to know all their fellow servants who propose to take the position that there will be no increase in taxes or loans made to help the unemployed or to bring relief to alleviate the present economic distress.

Mr. President, there would have been long before this revolution, and you know it, in some of the States and municipalities of this country, had governors and mayors taken that position. What would have become of our country if every governor in the United States and every mayor of a municipality had said, during the past year, "Not a dollar of relief if it means increase in taxes? Hungry? Yes; but no increase in taxes. Suffering? Yes; but no increase in taxes." What would have become, I say, of the people of this country?

The country should ever be grateful to those executives and officials who have not hesitated to spend millions of dollars of public funds to make less poignant the distress and the unfed less numerous. How will they enjoy the characterization of the President—they are "playing politics"? It is more patriotic to think of the Public Treasury than the alleviations of human suffering, to entertain zeal and enthusiasm for the possessors of wealth than to plead and petition for funds to relieve the voiceless millions who are suffering from want of the comforts of life in silence in every hamlet in America. And yet because the unemployed dare to petition the Federal Government—which in 1919, after the World War, appropriated a hundred million dollars for starving people in far-off Russia—because duly elected representatives of the people in the Senate dare to stand here and ask for a hundred million dollars to help lift the burdens off the municipalities and the States of this country who are forced to increase the taxes of the poor landowners and the small farmers, we are "playing politics"! It is an astounding statement. It is unbelievable that a President of the United States would close his ears and be unwilling to open his mind and his heart to helpful suggestions—to say, whatever is proposed, whoever proposes it, "No increase in taxes!"

The patience of the American people is to be commended.

What does government exist for? To serve. Whom? The people. When? When the people need to be served. Ordinarily the people do not need the special aid of government; but we do need the strong, helping hand of the Government, and sympathetic, constructive leadership, when there is need in an emergency to serve, and to help the people; and if there ever was a time in this country when the people needed their Government to help them, it is to-day and at this hour.

Mr. President, I now call particular attention to this sentence:

> The leaders of both parties are cooperating to avert any such event.

As I understand that sentence, they are cooperating to prevent any increase in taxes to help relieve unemployment and to help relieve distress other than what the President has recommended. I think we are agreed upon what he has recommended, namely, that there should be no further appropriations than those that are necessary to carry out

and expedite the work which was authorized during the period when Congress was not confronted with the emergency that now confronts us.

I desire to close by saying that the President can continue to assert and insinuate that those who propose remedial measures here are "playing politics"; but I propose to leave nothing undone to focus public attention upon the need more than ever of constructive efforts and of expenditures of money—all that may be needed; all and more than Russia's hungry people had in 1919.

I regret keenly to find the great President of the United States, in this hour of sorrow and distress, when millions of human beings do not know where their next meal is coming from, taking this attitude of saying, "No matter what is suggested it will not receive any attention from me if it increases taxes by $1; and those of my fellow countrymen who suggest relief to you that will affect the Public Treasury are engaged in playing politics.

It is always unpleasant to differ with the President, but there can be no compromising when the question is between aiding or denying relief to the unfortunate victims of an economic system that saps their vitality for making profits. I am against giving mere lip service to the destitute of America in this dire emergency.

WELFARE OF MOTHERS AND INFANTS

The Senate resumed the consideration of the bill (S. 255) for the promotion of the health and welfare of mothers and infants, and for other purposes.

Mr. BINGHAM. Mr. President——

Mr. HARRISON. Will the Senator from Connecticut yield to me?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. BINGHAM. I should like to speak for a few minutes on the business now before the Senate. I shall not speak at great length. I yielded to my friend from Massachusetts for five minutes; and I should like to proceed now to discuss the matter before us.

Mr. HARRISON. Will the Senator yield for one sentence?

Mr. BINGHAM. For what purpose?

Mr. HARRISON. For the purpose of stating that when the Senator from Connecticut finishes I desire to speak on the same subject upon which the Senator from Massachusetts has spoken.

Mr. BINGHAM. I am glad to yield for that purpose. I was afraid the Senator was going to ask me to yield for one of these questions that are asked for an hour.

Mr. President, there is probably no more disagreeable task that a member of a lawmaking body can take upon himself than that of opposing legislation obviously intended to relieve suffering and to prevent disease. The bill now before us, sometimes referred to as the maternity bill, introduced by the distinguished Senator from Washington [Mr. JONES] and reported from the Committee on Commerce without hearings—somewhat to the disappointment of a number of organizations that were anxious to be heard—is one which on its face is intended to promote the public welfare. Those who oppose this legislation are accused of gross materialism. Only yesterday my good friend, the distinguished senior Senator from Texas [Mr. SHEPPARD], in a fervid peroration in which he referred to the fact that the mother and child comprise the foundations of our civilization, and that when the first mother gave the first life from her own the first home began, and quoted that touching poem about children being the idols of hearts and of households, stated that the Federal Government was expending millions of dollars for information services relating to the health of cattle and hogs, and then said:

> In our intense and mad materialism we are placing cattle above mothers and hogs above children.

Mr. President, it is obvious that when one is going to be accused and by opposing this legislation is accused of placing cattle above mothers and hogs above children there are a great many people in the country who think that this legislation ought to be passed immediately, and resent any delay in its passage.

The history of this legislatıcn has been referred to by previous speakers. When it was first brought on the floor of the Senate by the distinguished Senator from Texas [Mr. SHEPPARD]—the bill was known at that time as the Sheppard-Towner bill—it was proposed that for five years the people of this country should be informed about the diseases connected with motherhood and with infancy in order to prevent deaths in maternity and deaths in infancy. As that legislation drew near its close an effort was made to continue it for three years. The bill, when it came over here, was referred to the Committee on Education and Labor. That committee, after giving it considerable consideration, reported it with an amendment which reduced the length of time for the continuance of the legislation from three years to one year.

On the strength of that amendment we had a prolonged debate. We endeavored to call the attention of the country to the fact that although this bill purported to be in the interests of the future citizens of this country and their mothers, actually it was aimed at a destruction of that very system of sovereign States on which our prosperity depends. We pointed out that it created a bureaucracy which went from Washington into the several States and took away from those States the right of deciding matters themselves, and bribed them to adopt the decision of bureaucrats in Washington as to what ought to be done on the question of maternity and infancy.

We pointed out that three or four States, including the State of Connecticut and, if my recollection serves me, the State of Illinois and the State of Massachusetts, declined to accept the Federal bribe and preferred to pay for this service out of their own pockets and run their services in connection with welfare legislation their own way, at the same time contributing their quota in taxation to the money which went into the pockets of people in the other States who accepted the bribe of Federal aid to run their welfare activities as the bureaucrats in Washington wanted them run.

The very distinguished Senator from Missouri, Mr. Reed, no longer with us, presented at length the arguments of those who were opposed to this legislation. On the other side of the aisle former Senator Bruce and former Senator Bayard were also opposed and presented arguments against it, in addition to some on the other side of the aisle who are still in the Senate.

On this side of the aisle, among those who are no longer with us who took an active part in fighting this legislation, were the distinguished Senator from Wyoming, the late Mr. Warren; the Senator from New York, Mr. Wadsworth, one of the ablest legislators this Chamber has ever seen; the distinguished Senator from Pennsylvania, Mr. Pepper, and others no longer here, who felt that it was unwise legislation.

We organized our forces to try to educate the country and also to prolong the debate so as to discourage the proponents of the measure. We were charged with conducting a filibuster. Be that as it may, around midnight on one of the nights when this matter was being discussed the proponents of the legislation came to those of us who were fighting the legislation and said, "If you will give us two more years instead of one"—as provided in the bill which came out of the committee—"we will then agree that this thing shall terminate."

We were a little in doubt as to what to do. The Senator from Utah [Mr. KING] had the floor at the time, and while he was making a very able speech against the legislation, we called over from the House of Representatives Judge TUCKER, of Virginia, former president of the American Bar Association, and one of the most distinguished constitutional lawyers in either branch of Congress, who had for many years fought the ideas beneath this legislation, although as kindly an old gentleman, as sympathetic, as well intentioned toward the welfare of his country and his State as anyone who ever sat in Congress. He was called over here at midnight to see whether it was wise to accept this

compromise, or whether we would better go ahead and defeat this bill.

Questions were asked. The telephone was used. I do not know to whom the messages went, because they were to sponsors of the bill on the outside of the walls of Congress. Satisfactory reply was received that if this legislation were allowed to pass and this service could be continued for two years, no further effort would be made to keep the service alive, and that the end would come.

In order that the matter might be drafted by a skilled lawyer and legislator in such a manner as to achieve that for which we were fighting, Senator Lenroot was called into conference, and he drafted an amendment, which satisfied those who were in favor of the bill that it gave them what they wanted, and they claimed that it gave us what we were fighting for, namely, an end of this kind of Federal bribery of the States and interference in their affairs on the part of Federal bureaucracy.

When that amendment had been brought back to the floor, it was indicated to the junior Senator from Utah [Mr. KING], who had the floor, that an agreement had been arrived at which would cause an end to this legislation, whereupon he yielded the floor, and others who were intending to speak on the measure gave up their privilege of speaking, and the following colloquy took place:

Mr. SHEPPARD—

He was in charge of the bill on the floor—

Mr. SHEPPARD. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will read the amendment.

The LEGISLATIVE CLERK. It is proposed to amend the bill by inserting, after line 2, on page 2, a new section, to read as follows:

"SEC. 2. That said act entitled 'An act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes,' approved November 23, 1921, shall, after June 30, 1929, be of no force and effect."

Mr. BINGHAM. Mr. President, I should like to ask the Senator from Wisconsin for an explanation of the amendment.

Mr. KING. I should like to have an explanation made in order that it may appear in the RECORD.

Mr. LENROOT. Mr. President, this amendment is a compromise reached between the two opposing sides upon this question. It was stated that a compromise might be reached if an agreement could be made for the entire repeal of the maternity act of June 30, 1929. I was then requested to draft language that would accomplish that purpose, and I think the amendment does so.

Mr. BROUSSARD. Mr. President, how can the amendment accomplish the purpose when the bill itself fixes the time for 1929?

Mr. LENROOT. That has only to do with the appropriations.

Mr. BROUSSARD. I understand that; but that is all it could do. I do not think there is any compromise at all. The amendment merely states a conclusion which the bill itself sets forth.

Mr. Lenroot then explained that the bill did not provide for its own termination, but merely for the termination of the appropriation.

Mr. BROUSSARD then asked that the amendment be read again.

Mr. KING then took the floor and said:

Mr. President, as I understand the Senator from Wisconsin and as I understand the position of the Senator from Texas, the purpose of the amendment is absolutely to repeal the existing law, so that at the end of two years——

Mr. LENROOT. On June 30, 1929?

Mr. KING. Exactly; so that at the end of that time there will be no legislation whatever upon this subject.

Further colloquy took place. It is not necessary for me to read it at this point, although I shall ask to have all this printed in the RECORD. I do not desire to take up the time to read it, except the final statement made during the course of the debate, which apparently was made by Mr. SHIPSTEAD, who said:

Mr. President, I simply wish to state that I agreed to the amendment at the solicitation of the distinguished Senator from Texas [Mr. SHEPPARD]. My understanding was that it was acceptable to both sides of the controversy. That is the reason I agreed to it. I take it that the amendment is proposed in good faith and that the spirit of the amendment will be carried out.

(The rest of the debate referred to by the Senator from Connecticut is printed in full, as follows:)

Mr. LENROOT. Mr. President, may I say to the Senator from Louisiana that the act of November 23, 1921, as it stands is permanent legislation? The only thing that is limited is the authorization or appropriations to carry it out, and, of course, the act stands. In the absence of the amendment it would be in order hereafter to enact legislation such as is now proposed merely authorizing additional appropriations under the act. If this amendment be adopted and the bill becomes a law in that form, the entire act will be gone; there will be no legislation upon the subject to which appropriations could attach after June 30, 1929, unless new legislation is enacted authorizing such appropriation.

Mr. BROUSSARD. Mr. President, may I ask that the amendment be again read?

The VICE PRESIDENT. The clerk will read the amendment.

The amendment was again read.

Mr. KING. Mr. President, as I understand the Senator from Wisconsin, and as I understand the position of the Senator from Texas, the purpose of the amendment is absolutely to repeal the existing law, so that at the end of two years——

Mr. LENROOT. On June 30, 1929?

Mr. KING. Exactly; so that at the end of that time there will be no legislation whatever upon this subject.

Mr. LENROOT. We can not bind a subsequent Congress, of course.

Mr. KING. I understand, of course, if the Senator will pardon the suggestion, that the amendment is offered in good faith, and it is understood by the proponents of this legislation, outside of Congress as well as in, that the adoption of the amendment will end the legislation. When Congress passed the original bill it limited its operation to five years, and everybody then understood that it would not have gone through except for the provision that at the end of five years the legislation would terminate.

Mr. LENROOT. I will say to the Senator that I can not speak for any understanding, but I am entirely clear that if this amendment shall be adopted it will end the legislation, and that there can be no further appropriation for this purpose under any existing law after June 30, 1929.

Mr. MCKELLAR. Mr. President, I desire that it shall be understood that I am not bound by any understandings or agreements. I do not believe that as a legislator I ought to make such agreements, and I shall not do so.

Mr. BROUSSARD. Mr. President, I do not know that this amendment, if adopted, would improve the situation which existed before the expiration of the 5-year period. We are merely extending the act for two years more. Naturally, when we passed this legislation, against which I entered my protest, it was understood that it was to be effective for five years. It was then proposed to extend it without any new legislation for two more years. The Senate committee reported a measure restricting the operation of the original act to one additional year; and should this amendment be adopted, we should be no better off than we were under the original act, which limited the legislation to five years. I shall not give my consent to this amendment unless it is proposed to insert in the bill that no further appropriations will be asked for, nor will Congress be bound to appropriate anything at all.

Mr. LENROOT. That is the effect of the amendment, I will assure the Senator.

Mr. BROUSSARD. But we are now acting upon a law which just as effectively limited its operation to five years, and we are now going to extend it for two years more.

Mr. LENROOT. May I again say to the Senator that there is no termination of this law that is now proposed to be repealed? It stands on the statute books as an existing law until repealed. The only thing which we propose to extend for two years is the appropriation to carry out the act.

Mr. BROUSSARD. If we are going to have a compromise here, I should want to insist that the law shall be repealed in 1929.

Mr. LENROOT. That is exactly what this amendment proposes to do.

Mr. BROUSSARD. It will not do that, as I understand.

Mr. LENROOT. That is exactly what it will do.

Mr. BINGHAM. The friends of the measure believe that it will do that.

Mr. BROUSSARD. It merely puts an inhibition under the present statute of appropriating further money.

Mr. LENROOT. Oh, no; it provides that the entire act shall be of no force and effect after June 30, 1929.

Mr. BROUSSARD. If that is the effect of the amendment I am willing to subscribe to it, although I shall vote against it.

Mr. KING. I think the statement which has been made by the Senator from Wisconsin is correct. As I understand, the amendment is a complete repeal of the act.

Mr. BROUSSARD. That is the statement that I wanted to have put into the RECORD.

Mr. KING. I think the Senator from Wisconsin stated it exactly.

Mr. BROUSSARD. My only purpose was to put into the RECORD the admission that the amendment provided such a repeal.

Mr. KING. I agree with the Senator from Louisiana. I am opposed to the act; I shall vote against the amendment anyway; but I shall not object to taking a vote on it.

Mr. SHEPPARD. Mr. President, of course, the work of the Children's Bureau relating to child welfare, maternity, and so forth, here in Washington will continue. That is authorized under another act, not under the act of November 23, 1921.

Mr. LENROOT. It is authorized under another act.

Mr. SHEPPARD. The act of November 23, 1921, will be repealed on and after June 30, 1929, and the cooperative work authorized by that act will then cease.

Mr. TRAMMELL. Mr. President, I do not know that we are going to have a yea-and-nay vote on the amendment, and for that reason I desire to state for the RECORD that I am opposed to any amendment which will work a repeal of the existing law.

Mr. MCKELLAR. Mr. President, I wish to say that I also am opposed to the amendment.

Mr. SHIPSTEAD. Mr. President, I simply wish to state that I agreed to the amendment at the solicitation of the distinguished Senator from Texas [Mr. SHEPPARD]. My understanding was that it was acceptable to both sides to the controversy. That is the reason I agreed to it. I take it that the amendment is proposed in good faith and that the spirit of the agreement will be carried out.

Mr. BINGHAM. Mr. President, all of us thought that the amendment was proposed in good faith, and I believe it was. All of us thought that the spirit of it would be carried out. The spirit of it has not been carried out, and persons on the outside of the Halls of Congress have tried persistently since that day to renew that legislation.

Mr. JONES. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Connecticut yield to the Senator from Washington?

Mr. BINGHAM. I yield.

Mr. JONES. In view of the statement of the Senator I think I should state what my position was at the time, as I expressed it on the floor, that I would not be bound by the agreement entered into, as far as this legislation was concerned.

Mr. BINGHAM. Does the Senator remember when he made that statement?

Mr. JONES. I do not remember the day or the hour. I made it as soon as I learned of the action. I remember very distinctly making it.

Mr. BINGHAM. I have a recollection that the Senator made some such statement, but I have been unable to find it in the debates held at that time. The only reference I can find in the index of the volume of those debates when the Senator from Washington referred to this bill was when he raised a point of order against a motion that was made by the Senator from Missouri, Mr. Reed, in regard to some other business. I have a recollection of what the Senator says he stated; that he did make such a statement. I was looking to see just what the statement he made was, but I can not find it in the debate or any reference in the index to his having made the statement. However, I do not charge him with bad faith. I said persons on the outside of Congress. It would be the last thought I would have in mind to charge the Senator from Washington with bad faith in this matter.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. BINGHAM. I yield.

Mr. KING. I recollect the occasion to which the Senator is referring. I certainly would not have yielded the floor under the circumstances, because the bill would have been defeated if there had not been, so far as I was concerned, an understanding entered into in good faith, after full discussion between the opposing parties, that the law was to be repealed and that no such legislation was to exist and none to be further offered, so far as those who were in the agreement were concerned, after its repeal. To such a degree were those upon this other side of the aisle committed, at least those with whom I have talked, to the proposition, that when an effort was made in the Democratic convention in Houston subsequent to this event to have a plank inserted in the platform in favor of this legislation, those who were upon the committee, and who were Members of the Senate at the time and were familiar with the agreement, declared that a solemn agreement had been entered into with respect to this matter, and they were unwilling even to put it into the platform, and it was not inserted in the platform.

That was the understanding. What was the good of the agreement if it was understood that immediately afterwards some Senator could come upon the floor and offer the same legislation?

Mr. BINGHAM. Mr. President, there was one thing I might say with regard to this debate which I skipped, and that was that the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Florida [Mr. TRAMMELL] are both on record as being opposed to any amendment which would work a repeal of the existing law.

There is one other remark of the Senator from Texas, in charge of the bill, which I did not read, in which he said:

> The act of November 23, 1921, will be repealed on and after June 30, 1929, and the cooperative work authorized by that act will then cease.

There was nothing in the debate or in the conference which took place that night between those who were opposed to the legislation and those who were in favor of it which led those of us who were fighting to get the legislation repealed to believe for one moment that the legislation would be brought up again and favored by the same people who were then favoring it.

As I said, this legislation is extremely hard to speak against, because it has such a worthy object. It is always implied that we should not provide money for making investigations into the diseases of horses and cattle if we do not provide money for looking into the diseases of women and children. As a matter of fact, however, this type of legislation leads constantly to the building up of the power of a bureau in Washington; it leads constantly to the taking away from the States of the responsibility which rests upon their citizens of enacting proper legislation for their own citizens, and lets them say, "Well, the bureau in Washington said so-and-so. We will do it that way." It merely puts them in the position of subjects faithfully carrying out the orders of persons in Washington and paying one-half of the bill.

Mr. President, I have received a very interesting petition addressed to the United States Senate, signed by the board of directors of the Woman Patriot Publishing Co., Mary C. Kilbreth, president, the directors being Mrs. Randolph Frothingham, Boston; Mrs. Rufus M. Gibbs, Baltimore; Mary G. Kilbreth, Southampton, N. Y.; Mrs. Lewis C. Lucas, Washington, D. C.; and Mrs. B. L. Robinson, Cambridge, Mass. It is too long to read, though I would like to do so were it not that I might be accused of endeavoring to filibuster against this bill, which, as everyone knows, would be a very foolish thing to do, as it is the unfinished business. It is my desire that there be no effort to prolong debate on this question. I ask unanimous consent that this petition may be printed at this point in my remarks without being read.

The PRESIDING OFFICER. Is there objection?

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

A PETITION TO THE UNITED STATES SENATE

DECEMBER 8, 1930.

To the Honorable Members of the United States Senate.

GENTLEMEN: The United States Senate is hereby respectfully petitioned to resume and safeguard its character as a deliberative body by recommitting to the Committee on Commerce, for full public hearings and investigation, S. 255, Calendar No. 368, Report No. 369—the "Jones maternity and infancy bill"—now the unfinished business of the Senate.

Your petitioners, the board of directors of the Woman Patriot Publishing Co. (consisting of Mrs. Randolph Frothingham, Boston; Mrs. Rufus M. Gibbs, Baltimore; Mary G. Kilbreth, Southampton, N. Y.; Mrs. Lewis C. Lucas, Washington, D. C.; and Mrs. B. L. Robinson, Cambridge, Mass.) respectfully show:

1. There have been no Senate hearings on Federal maternity and infancy legislation since April, 1921. That was seven months before the enactment of the Sheppard-Towner Act of November 22, 1921, and upon a bill that was entirely revised in the House. No Senate hearings have ever been held on the present bill or the former act.

2. The Jones bill (S. 255) is in conflict with—

(a) The Constitution of the United States.

(b) The State-rights planks of both party platforms of 1928.

(c) The "gentleman's agreement" made in the Senate in January, 1927, at the request of advocates of the Sheppard-Towner Act, who not only declared it "proposed in good faith" and that "the agreement will be carried out" but made it a part of the statute itself—section 2, act approved January 22, 1927—to "end" and "cease" and "repeal" such legislation.

(d) President Hoover, in his message to Congress, December 3, 1929, which he reaffirms in his message of December 2, 1930, approved Federal aid for maternity and infancy, but recommended that "such outlay should be positively coordinated with the funds expended through the United States Public Health Service." Therefore, the Jones bill is in conflict with the President's announced plans and recommendations.

(e) Two bills were introduced in Congress since the Jones bill was reported April 9, 1930, to carry out the President's plans:

H. R. 12995, by Representative COOPER, June 16, 1930.

S. 4738, by Senator Robsion, June 18, 1930.

These bills are identical, revive Federal supervision of State "health" and "welfare" work, but under a "Federal health coordinating board."

To rush through the Jones bill without hearings, report, or consideration of the President's bills, plans, and recommendations is manifestly unfair to the President.

(f) The President appointed a commission of some 1,200 persons more than a year ago to consider "child health and protection." The subcommittee on Federal health organization of that conference recommended with only one dissenting vote—that of Miss Grace Abbott, Chief of the Federal Children's Bureau—the transfer of some of the "health" activities of that bureau to the supervision of the Public Health Service.

The President, in opening the recent White House conference on child health and protection, expressed the wish that this point of controversy be referred to a continuing committee of the conference for further consideration. (See official proceedings, supplement to United States Daily, November 28, 1930, p. 52, column 3, Transfer of Divisions, and Preliminary Reports of the White House Conference on Child Health and Protection, pp. 77, 78, 80.)

Miss Grace Abbott, Chief of the Children's Bureau, and Mrs. Florence Kelley (communist translator and chief American lieutenant of Frederich Engels, whose long communist record appears at length in the CONGRESSIONAL RECORD of May 31, 1924, and July 3, 1926), despite the President's wishes, took this controversy to the floor of the conference and to the newspapers, organized "pressure" through letters and telegrams from certain women's organizations, and secured the repudiation of the preliminary report, and an indorsement of their demand for continuation of "health" administration of maternity and infancy legislation by the Children's Bureau.

Miss Grace Abbott made a socialistic speech without the socialist label concerning "distribution of wealth," saying, "If our national income were equally divided, we should all have $3,000 a year and $15,000 invested," implied that the average American family does not receive enough for "a minimum level of health and decency," urged unemployment doles—something that both the President of the United States and the President of the American Federation of Labor have vigorously condemned—and made several charges against her colleagues that the proceedings show unfair. (See official proceedings, United States Daily, November 28, 1930, pp. 18, 30, 33.)

Mrs. Kelley herself, who issued a "challenge to the conference" before it met (signed article, New York World, November 16, 1930), demanding its revival of the maternity act and the child-labor amendment, and asking, "Will this change come soon and peacefully?" protested to the White House conference on behalf of "the organized womanhood of this country." (Proceedings, United States Daily, p. 35.)

Nevertheless, despite the newspaper headlines, the pressure, and the propaganda engineered by Mrs. Kelley and Miss Abbott, it appears, from page 52, official proceedings, United States Daily, column 3, that the entire controversy "is subject to further consideration by a continuing committee as proposed by the President."

The final reports of the President's conference on child health and protection are not expected to be ready until February, 1931.

Manifestly, therefore, the present effort to rush the Jones bill through Congress is an attempt to foreclose the issue and carry out the plans of Mrs. Florence Kelley, the communist, and Miss Grace Abbott, Chief of the Children's Bureau, before the final report of the President's commission is available.

3. The arbitrary action of the Senate Commerce Committee in reporting out S. 255 without hearings is unfair to the Senate and the public for the following reasons:

(a) The report (No. 369) misrepresents the Jones bill as a measure "to amend the maternity act" without informing the Senate that there is no such act to amend and without mention of its repeal.

(b) The report of the Senate Commerce Committee itself (No. 369) consists of 11 lines, the remainder being made up of a letter from the Secretary of Labor (now the Senator from Pennsylvania), dated May 31, 1929, and House reports of 1926.

(c) No statistics of infant or maternal mortality later than 1924 are furnished in the report.

The letter of the former Secretary of Labor, dated May 31, 1929, expressing fear that the end of the Federal maternity act in June, 1929, would mean loss of mothers' and children's lives, is quoted in the report, notwithstanding available reports of the Census Bureau showing a decrease of infant mortality in almost every week since July 1, 1929. (See Weekly Health Index, issued by the Division of Vital Statistics, Bureau of the Census.)

The neglect of the report to furnish the Senate accurate and timely information as to the administration of the former maternity act and its results, if any, upon infant and maternal mortality after nearly eight years of operation, and now a year and a half since its repeal, implies failure of the committee to find such statistics favorable. Hence, the reliance upon a House report of 1926 (ignoring later House reports) is evidence that later and more complete information that a Senate committee itself might collect to-day would not tend to promote the adoption of the Jones bill.

(d) On the part of the Senate, bills are obviously referred to committees so that fair and adequate information may be assembled in one public record, after competent testimony on all points has been heard—under oath if necessary. A 4-year-old report with 11 new lines—on a subject that has occupied 1,200 specialists of one of President Hoover's commissions for more than a year—is manifestly useless to the Senate.

(e) On the part of the public, hearings furnish the only adequate opportunity for expression of public opinion to legislative bodies. Neither petitions nor memorials to the Senate at large, nor personal "lobbying" with individual Senators, nor "letters and telegrams" to individual Senators, can take the place of a public hearing—any more than they would, if allowed, take the place of a "day in court" in a legal case.

Resident lobbyists can pour ex parte pleas into the ears of legislator after legislator until sometimes enough are "pledged" in advance to vote for a bill, regardless of debate on the floor.

But that is not representative government. That is not deliberative action. It is lobby government by coercion or persuasion of individual legislators, who are asked to abdicate their functions as members of a deliberative body, and to "pledge" and cast their votes as an outside lobbyist may direct or request, without regard to the deliberations of the legislative body.

Every lawyer in the Senate knows that the courts have repeatedly held that even the stockholders of a commercial corporation are entitled to the deliberations of a board of directors; that a meeting of directors already "pledged" in advance, regardless of discussion, has often been held illegal and void.

Moreover, "the act of any corporation beyond its charter powers is called in law ultra vires," and Herbert Spencer, pointing out that the majority in a corporation can not control where the original purpose is departed from, well says:

"And I contend that this holds of an incorporated nation as much as of an incorporated company." (See Losing Liberty Judicially, by Thomas J. Norton, p. 36.)

Surely American citizens should have as many safeguards of their right to representative government by deliberative bodies, in enacting the laws under which they live and for which they are taxed by all the coercive powers of government, as investors and stockholders in regard to the security of their money.

What is the fundamental purpose of representative government unless it is to secure discussion by a picked body of honest, informed, and able men, chosen by the people themselves, and accountable only to the people, before laws are passed.

Lawmaking alone can be done by the edicts of a despot.

Voting alone may be done by mail, machine, a word, or a mark.

The only reason for actual assemblies of deliberative bodies is to secure to the people joint discussion by their representatives—in place of arbitrary rule by one individual, or a mere poll of many.

This fundamental purpose of representative government utterly fails if members cast their votes, not according to the outcome of joint deliberation, but according to the ex parte pleas of some outside lobby, group, or bloc, to individual members. We submit that a legislator owes the moral duty of deliberation to the people no less than a director of a corporation owes it legally to stockholders.

4. Opposition sought hearings in February: Representatives of three distinct groups of citizens, who have all thoroughly studied this legislation, and have opposed it since 1921, appealed to Senator JONES, then chairman of the Commerce Committee (who introduced S. 255) for hearings thereon on or about Lincoln's Birthday. Typical of these groups are:

(a) The American Medical Association and various State, county, and city medical societies, opposing so-called State medicine and socialized medicine, particularly when practiced by amateurs and laymen with only political qualifications, if any, to advise physicians, nurses, and mothers on maternity and infancy care.

(b) Such organizations as Sentinels of the Republic, consisting largely of lawyers opposing unconstitutional legislation tending to destroy local self-government and individual freedom.

(c) Organizations and publications conducted by women, many of them having had experience in public-health matters, who oppose supervision of local medical practice and domestic relations by a distant Federal bureaucracy. Among these are your petitioners. These women are also determined to resist the entire socialist-communist program to make women and children wards and dependents of the State—of which revolutionary program this legislation is a repeatedly proved part, originated and still being engineered and promoted chiefly by a disciple of Friedrich Engels himself.

5. The excuse for refusal of hearings: When asked by Senator WALSH of Massachusetts "for an explanation of the position of the committee" in reporting out the Jones bill (S. 255) without hearings, the chairman, Senator JOHNSON, replied concerning this high-handed denial of the Senate's right of investigation through committee hearings, in part, as follows:

"* * * When the bill came before the Commerce Committee as at present constituted it was referred to a subcommittee. That committee subsequently reported favorably to the Commerce Committee. Thereupon the Commerce Committee reported the bill favorably. In its initial stages before this law was put upon the statute books there were elaborate hearings, as I recall, all parties in interest were heard; and it was deemed, I assume, by the subcommittee of the Commerce Committee—certainly it was my opinion—that no additional or further hearings were necessary." (CONGRESSIONAL RECORD, April 21, 1930, p. 7305.)

What Senator would hold that no hearings were necessary on the tariff act of 1930 because "elaborate hearings" had been held prior to the tariff act of 1922? Or that no hearings were necessary on the London naval treaty of 1930 because "elaborate hearings" were held prior to the Washington naval treaty of 1922?

Senator JOHNSON himself, in an eloquent public appeal explaining his insistence upon all possible information, including secret diplomatic correspondence, before Senate action on the London naval treaty, declared:

"It is nonsense to deny a people the right of investigation of what may affect their future welfare," etc. (CONGRESSIONAL RECORD, June 19, p. 11189.)

Senator JONES also, speaking on a joint resolution (H. J. Res. 367) to substitute the word "specified" for "specific" and to change a date by two weeks, declared:

"As a general rule I am opposed to considering bills and joint resolutions without reference to committees. * * * I do not like the procedure of passing bills from the House without their having had any consideration by a Senate committee or anything of the kind." (CONGRESSIONAL RECORD, June 23, 1930, p. 11506.)

We agree entirely with these principles thus set forth by Senator JOHNSON and Senator JONES. But we maintain that they must also apply to such bills as S. 255 if they are principles at all. Otherwise if "the right of investigation" and "consideration by a Senate committee" is urged only upon such measures as a Senator desires to defeat and arbitrarily denied upon measures he desires to put through without such investigation and consideration, it is mere special pleading, not principle, that demands hearings on one measure and refuses them on another.

Thus the excuse for refusal of public hearings on the Jones bill, which have been respectfully and repeatedly requested in vain since Lincoln's birthday, will not square with the principles of Senator JOHNSON and Senator JONES themselves, if they are principles.

What is the real reason for refusal of public hearings on the Jones bill? Is it because it could not stand the strain of a complete investigation? If not, why not? Why does the Kelley-Abbott lobby desire darkness rather than light, "quick action" rather than fair investigation?

We proceed to cite some evidence that is not contained in the report on the Jones bill, but that might be brought out much further if the bill were recommitted and fair hearings held.

6. Mrs. Kelley, communist, leading Jones bill lobby: A documented history of the original "drive" to establish the Children's Bureau and of the leadership of all its subsequent "drives" for "a full grant of power" over American homes and children by Mrs. Florence Kelley (formerly Florence Kelley Wischnewetzky) was published in the CONGRESSIONAL RECORD May 31, 1924, and July 3, 1926, and in House hearings on H. R. 14070—the Newton maternity bill—January 24–25, 1929, pages 248–290.

These facts—which have never been refuted—need no repetition here. But it is significant that the present "drive" also for the Jones bill—and against the Robsion-Cooper bill and the recommendations of President Hoover and his Child Welfare Commission—is also being led by the communist, Mrs. Kelley.

Mrs. Kelley is probably the only living communist leader personally trained by Friedrich Engels himself. Engels was the financial backer and coauthor with Karl Marx of the Communist Manifesto, Das Kapital, etc., and was called by the communists "sole guardian of the world revolution after the death of Marx."

Engels was the author of The Origin of the Family, Private Property, and the State—a ruthless attack upon marriage and morality as well as property—and Mrs. Florence Kelley was his chosen American translator and chief lieutenant.

Mrs. Kelley was receiving detailed instructions from Friedrich Engels about working communism "deeper into the flesh and blood" of Americans by "hiding" the label at about the time that Lenin and Trotzky, Debs, Berger, and Hillquit were mere schoolboys—and before most of the present communist agitators were born!

Yet so important to communists was the Engels-Kelley correspondence that the Moscow communists themselves are still taking lessons in the art of promoting "revolution in America" from the Engels-Kelley correspondence of 40 years ago! (See Little Red Library, No. 6, Marx and Engels on Revolution in America, issued by Communist Party of America, and Workers Monthly, November, 1925, December, 1925, and the Communist, May, 1928, for text of this correspondence, which was republished under Moscow orders for the instruction of present American communist agitators.)

The May, 1928, issue of The Communist, official monthly organ of the Communist Party of the United States of America, declares:

"The correspondence between Engels and his translator (Mrs. Kelley) connected with the entire project are of the utmost importance to present-day Marxists in America (p. 308).

"It is 40 years since Engels gave this advice to American Marxists; it might just as well have been given to us to-day" (p. 311).

The following extract is a sample of the strategy Engels taught Mrs. Kelley, then Florence Kelley Wischnewetzky:

"I think all our practice has shown that it is impossible to work along with the general movement of the working class at every one of its stages without giving up or *hiding our own distinct position and even organization.*

"The less it [communism] will be knocked into the Americans from without and the more they test it by their own experience, assisted by the Germans, *the deeper it will go into their flesh and blood*" (Friedrich Engels to Florence Kelley Wischnewetzky, January 27, 1887; The Communist, May, 1928, p. 313). (Italics ours.)

In other words, Engles told Mrs Kelley that all their practice had shown the necessity of hiding the communist label at times to work communism "deeper into the flesh and blood" of Americans.

Four months after receiving these instructions from Engels Mrs. Kelley opened her campaign, May 14, 1887, with a lecture to college women entitled "The Need of Theoretical Preparation for Philanthropic Work," in which she admitted that her purpose was to "find the point of least resistance" to "make an end" of the capitalist system, and indorsed Engels's book The Origin of the Family, Private Property, and the State as one of the "fundamental works" which is "warmly to be recommended." (Full text of Mrs. Kelley's lecture is attached.)

It will be observed that in that lecture, 43 years ago, Mrs. Kelley declared that "one great hope of a peaceful transition" was to show the workers "where to find the point of least resistance" and that "welfare work" (then called "philanthropic work") was then and is now the "point of least resistance." Forty-three years later, Mrs. Kelley, in her recent Challenge to the Conference (New York World, Nov. 16, 1930), asks, "Will this change come soon and peacefully?"

The plain implication of these statements, although the Engels trick of "hiding" it somewhat is obvious, is that unless America adopts communism by fraud and "welfare" legislation "soon and peacefully" it will come by "force and violence!"

Why should not the United States Senate—that excludes all the little amateur communist agitators, with red banners and labels, from Capitol Hill—stand up and meet this public challenge by Mrs. Kelley, which was directed as much to the American people and their Congress as to the President's recent White House conference?

7. Mrs. Kelley's lobby fighting Hoover-Cooper plan: President Hoover served at Washington as Secretary of Commerce from 1921—during all the agitation of what Vice President Dawes once called "the maternity block" in 1921, 1926, and 1927—and went through the presidential campaign of 1928 without once being quoted in favor of the maternity act.

After his inauguration President Hoover appointed a Child Welfare Commission, but allowed the maternity act to expire June 30, 1929, without a single public statement in its favor.

The Jones bill (S. 255) was introduced April 18, 1929. No interest by President Hoover was publicly indicated. On October 17, 1929, a delegation of women called upon President Hoover "to enlist his support" for the Jones bill. (New York Times, October 18, 1929.)

But President Hoover in his message to Congress December 3, 1929, wrote:

"The organization of preventive measures and health education in its personal application is the province of public-health service.

"I recommend to the Congress that the purpose of the Sheppard-Towner Act should be continued through the Children's Bureau for a limited period of years; and that the Congress should consider the desirability of confining the use of Federal funds by the States to the building up of such county or other local units; and that such outlay should be *positively coordinated* with the funds expended through the United States Public Health Service * * *," etc. (Italics ours.)

This recommendation of the President of the United States received no consideration whatever by the Commerce Committee, as the report shows.

Instead of considering the President's recommendations and investigating the merits of his suggestion for "coordinated" maternity legislation, the Commerce Committee reported out the Jones bill—introduced six months before the President's message of 1929—"without amendment" as well as without hearings.

Manifestly President's Hoover's recommendations of a revival of Federal maternity work through the Children's Bureau—but "positively coordinated" with the Public Health Service—was in the nature of a compromise.

From our point of view that compromise is unwise, but made in good faith by the President, who undoubtedly hoped that the Child Welfare Commission would find some solution of the problem, satisfactory to everybody, by "conferences"; just as the President has appointed other commissions in the hope of finding some basis of agreement on other great public controversies.

But Mrs. Florence Kelley and Miss Grace Abbott refused to agree with the President.

They have been fighting his recommendations ever since they were made.

And soon after Representative COOPER introduced his second bill (H. R. 9888), February 14, 1930, to carry out the President's plan for "coordinated" maternity work, they assembled their lobby at Washington to fight the President and the second Cooper bill. (See feature article, New York World, March 9, 1930, entitled "Women Rally to Aid Children's Bureau.") The article consists almost entirely of statements by Mrs. Kelley, showing her continued leadership of this propaganda, along with a few echoes of Mrs. Kelley's remarks by Miss Grace Abbott.

The Children's Bureau is fighting the President and supporting Mrs. Kelley and her lobby on this issue, quite as much as Mrs. Kelley herself.

Last March, two Boston women, Mrs. William Lowell Putnam, originator of the first scientific prenatal care in the world, and former president of the American Child Hygiene Association, and chairman of the Women's Coolidge-Dawes Republican clubs of 1924, called upon President Hoover, accompanied by Mrs. Francis E. Slattery, of Boston, to tell the President that the "silent women" of the country were opposed to the communistic activities and propaganda of the Children's Bureau.

The President did not agree with them that the bureau should be abolished, and urged them to "work constructively," calling

their attention to the new Cooper bill (H. R. 9888), but admitting that the Children's Bureau was opposed to it.

This admission of the President (March 3, 1930) that the Children's Bureau was fighting his "coordination" plans and the second Cooper bill, was soon confirmed by Miss Grace Abbott, Chief of the Children's Bureau, who, in the New York World feature article of March 9, 1930, previously mentioned, after the real leader, Mrs. Kelley, was quoted at great length, is reported to have said:

"Mr. COOPER has not discussed his new measure with me * * *. The whole question as to whether or not the administration of the work should be intrusted to the Children's Bureau or to some other agency was thoroughly discussed when the Sheppard-Towner Act was passed."

In short, Mrs. Kelley and Miss Grace Abbott insist that the question is foreclosed—that neither the President, the President's Child Welfare Commission, nor Congress, shall alter by a comma their own "expanding program" for power!

On May Day, 1930, Mrs. Kelley, after using the headlines and a few misled women's organizations against the President's plans, took to the air, and over the Socialist radio station (WEVD) at New York, denounced the second Cooper bill, demanded the adoption of the Jones bill, and urged her auditors to "bury" their Senators and Congressmen under letters and telegrams for the Jones bill. (See New York Times, May 2, 1930.)

The agitation organized and conducted by Mrs. Kelley and Miss Abbott at the recent White House conference against the President's plans, has already been cited.

8. Mrs. Kelley also led "maternity bloc" in 1921; the communist, Mrs. Kelley, who is now leading the propaganda lobby to "put over" the Jones bill before the White House conference continuing committee can make its final report, was also the leader of the 1921 "drive" for the Sheppard-Towner Act.

Mrs. Maud Wood Park, then chairman of the women's joint congressional committee and president of the National League of Women Voters, in a signed letter to the Woman Citizen, official feminist organ, March 11, 1922, wrote:

"May I ask you to make clear in your columns the great service rendered in the passage of the Sheppard-Towner bill by the organizations represented in the women's joint congressional committee? When this subcommittee was organized *Mrs. Florence Kelley*, representing the National Consumers League, *was made chairman.* * * * Through the membership of these organizations and their united efforts there was recorded in the Congress such an overwhelming demand for the bill * * *," etc. (Italics ours.)

Of this lobby, thus led by the communist, Mrs. Kelley, Charles A. Selden, in his article, The Most Powerful Lobby in Washington, wrote in the Ladies Home Journal, April, 1922:

"After repeated attempts in both branches of Congress to let that Sheppard-Towner bill die of neglect or delay or evasion, after the most violent opposition, it was passed in the Senate by a vote of 63 to 7; in the House by 270 to 39.

"Senator Kenyon (who had charge of the bill in the Senate) told me that if members could have voted on that measure secretly in their cloakrooms it would have been killed as emphatically as it was finally passed in the open under the pressure of the joint congressional committee of women."

Thus it was admitted and proclaimed that lobby pressure—organized and led by the communist, Mrs. Kelley—secured the enactment of the Sheppard-Towner Act in 1921.

In 1921 Senator MOSES introduced a bill for Federal aid in establishing local maternity hospitals and training schools for nurses and midwives under the public health authorities. The Moses bill of 1921 was somewhat similar to the "coordination" plans of President Hoover and his Child Welfare Commission.

The communist Mrs. Kelley, however, turned thumbs down on the Moses bill in 1921—just as she is to-day fighting the Hoover-Wilbur plans and the Robsion-Cooper bills—and declared:

"You can not imagine anything worse than the strewing of the counties with unstandardized little hospitals." (Senate hearings, Apr. 25, 1921, pp. 136-137.)

In 1930 Dr. Ralph W. Lobenstine, in the Baltimore Sun, May 11, 1930, discussing "the toll of maternity in America" (which nearly eight years of Sheppard-Townerism did not reduce, but which has been reduced since the end of Sheppard-Townerism) offers as a current "constructive suggestion" practically the same plan as Senator MOSES proposed—and the communist Mrs. Kelley with her lobby killed—in 1921, namely:

"First, institution of special training courses in obstetrics for a high type of graduate nurse * * * in connection with an institution where a sufficient number of maternity cases would be available to provide instruction under competent obstetricians.

"Second, the creation of more small county hospitals in the rural districts, each to have at least one ambulance and one or more trained nurses working under a first-class obstetrician." (Baltimore Sun, May 11, 1930.)

President Hoover also wants "county or other local units," with the outlays "positively coordinated" with the United States Public Health Service. (Annual message, 1929.)

But the communist Mrs Kelley, confident of her "dictatorship" by lobby pressure, will have none of these things. She demands the Jones bill, "without amendment," under which not a cent can be spent for a hospital bed or a taxicab for any mother or a bottle of milk for any baby, and practically the entire fund goes to pay salaries of social workers, or else the complete original Engels-Kelley-Kollontay-Lathrop-Abbott "expanding program" for Government care of mothers and children.

9. The Engels-Kelley "child welfare" schemes:

Friedrich Engels, in his Origin of the Family, Private Property, and the State, which Mrs. Kelley declared one of the "fundamental works" which is "warmly to be recommended," ruthlessly attacked the family as an institution, and in particular held the support of wives and children by men as the original cause of private property and the chief obstacle to its abolition. That is the thesis of his book. The following example will suffice:

"Monogamy was the first * * * victory of private property over primitive and natural collectivism (p. 79) * * *. Monogamy arose through the concentration of considerable wealth in one hand—a man's hand—and from the endeavor to bequeath this wealth to the children of this man to the exclusion of all others * * *. With the transformation of the means of production into collective property the monogamous family ceases to be the economic unit of society. The private household changes to a social industry. The care and education of children becomes a public matter. Society cares equally well for all children, legal or illegal. This removes the care about the 'consequences' which now forms the essential social factor—moral and economic—hindering a girl to surrender herself." (P. 91-92.)

Mrs. Kelley led the campaign for the establishment of the Children's Bureau in 1912 and has led every one of its drives for more power since.

The Woman's Journal, official feminist organ, April 6, 1912, a few days after the bureau was established, declared:

"This is the outcome of seven years of indirect influence by Mrs. Florence Kelley and many other earnest women."

Among the other leaders of that original "drive" it may be noted that Dr. Anna Louise Strong (who conducted propaganda meetings throughout the country in 1911 for the establishment of the Children's Bureau), after serving as "exhibit expert" of the Children's Bureau until 1916, afterwards led the great Seattle "general strike" and is now editing the only communist organ in English published at Moscow!

Mrs. Kelley herself admits her leadership of the maternity act drive and her dictatorship of Children's Bureau activities, in part, as follows:

"My own modest share in this life-saving measure is an abiding happy memory. When the Children's Bureau bill passed in 1912 I was consulted among its advocates as to the order in which the subjects assigned to the bureau should be taken up. I urged immediate study of infant mortality." (Signed article by Mrs. Kelley, Survey, October 1, 1926.)

These "Income and Infant Mortality" investigations of the Children's Bureau, made at Mrs. Kelley's suggestion, were shown by former Senator Reed of Missouri, in 1921, from reports by Miss Julia C. Lathrop (then chief of the Children's Bureau) to have included inspections of pay rolls to determine if husbands were "holding out" from their wives the amount of their salaries, and were not at all "health" studies, but selected "surveys" in the slums of certain cities to build up a socialistic dogma, as follows:

"The infant-mortality studies of the Children's Bureau show that an adequate income earned by the father of the family is the *sine qua non* of safety for babies. * * * There is a question, however, now pressing for attention which affects *not only the lowest income groups, but the greater share of American mothers;* it is how to make promptly and uniformly available *for all mothers and children, irrespective of income,* in town and country alike, the services of nurses, doctors, conference centers, and hospitals. * * * Is it not evident that *the public must assume this responsibility* and that the duty can not be discharged with cash allowances alone, but that a nation-wide program, which must embrace many activities, is neded?" (Children's Bureau Fifth Annual Report, 1917, pp. 44, 47.) (Italics ours.)

In other words, the "infant mortality" studies made by the Children's Bureau at the suggestion of Mrs. Kelley in the slums of eight selected cities were used as a basis for the communist doctrine that "the public must assume this responsibility" for the care of maternity and infancy, through a "nation-wide program," including not only "cash allowances" (childbirth doles or "maternity benefits" for mothers), but also the socialization and nationalization of "nurses, doctors, conference centers, and hospitals" for maternity and infancy care, "irrespective of income." That was the original scheme behind the original "maternity bill" drafted by the Children's Bureau and introduced by Miss Jeannette Rankin, July 1, 1918.

That scheme was launched in the Children's Bureau report for 1917, simultaneously with the similar scheme on the same subject, proclaimed by Alexandra Kollontay at Moscow!

10. The Kollontay-Lathrop "Maternity System" program: A comparison of the Children's Bureau Fifth Annual Report, of October, 1917, pages 44–48, proclaiming "public responsibility" for "maternity and infancy" in America, with the proclamation at the same time (October, 1917) by Alexandra Kollontay, then soviet commissar of social welfare at Moscow (who had previously made two visits to the United States in 1915 and 1916) for "protection of mothers and children" as a "duty of the Government" and maternity as a "service to the state" under communism, will demonstrate to any honest investigator that the bolshevik program and the Children's Bureau program for "public responsibility" were either drawn up in collusion or else both programs derived from a common communist source. (See Senate Bolshevik Propaganda Hearings, 1919, p. 1258, for text of Kollontay's proclamation of October, 1917.)

It will also be noted that the language quoted above from the Children's Bureau Annual Report of 1917 expresses exactly the same idea of state responsibility for the care of maternity and infancy as set forth more frankly by Friedrich Engels himself.

Moreover, the Rankin bill of July 1, 1918 (H. R. 12634) provided free "medical and nursing care" for "all residents" (married or unmarried mothers, legitimate and illegitimate children), but lodged *in the Labor Department* the selection of mothers to receive the free service, as well as the terms upon which other mothers would be furnished Government "maternity and infancy" care. Truly a "proletarian measure." The Rankin bill was admittedly drafted by the Children's Bureau—but the hearings upon it, as usual, were under the leadership of Mrs. Kelley.

By 1919 the Children's Bureau Annual Report for that year, after discussing the maternity dole systems of Europe as inadequate and commending "the new international sense of responsibility for child welfare" (p. 15) declared:

"In many European countries—as in England—experience indicates the need of *basic governmental responsibility for maternity and infancy.* * * *

"As applied to the United States, it may be said with certainty that any public provision for safeguarding maternity and infancy *must be universal.* It must afford a dignified service which can be utilized with the same self-respect with which the mother sends an older child to the public school." (P. 27; italics ours.)

In describing the British maternity-dole system, the same report states:

"It is * * * clearly an expression of a belief that no provision already in existence is adequate." (Ibid.)

In short, the Children's Bureau proposed for the United States not only a maternity system as communistic as that of Friedrich Engels and Alexandra Kollontay, but as extensive a "service" as that of the public-school system.

Also, the Children's Bureau publication No. 57, "Maternity Benefits Systems in Certain Foreign Countries," issued in 1919, declared Alexandra Kollontay's book, "Society and Motherhood":

"The most comprehensive study of maternity benefits and insurance which has yet appeared in any language" (p. 175, bureau publication No. 57).

Moreover, Miss Julia C. Lathrop, then chief of the Children's Bureau, testified:

"As to Madam Kollontay's book, which has been referred to, it was published in 1916 at Petrograd. * * * Indeed, there was a reuest that the Children's Bureau should republish, but after our translator had looked at the material it did not seem advisable to undertake so costly a piece of work, because we could in more brief manner present all that was necessary and from more original sources." (House hearings on H. R. 2366, July 12, 23, 1921, p. 235.)

Could there be any clearer testimony that the Children's Bureau booklet on "maternity benefits" was inspired by and a condensation of Kollontay's "Society and Motherhood"—the bureau denying the admitted request for republication of Kollontay's book only on account of the expense, and because it could "in more brief manner" cover the same ground—while recommending Kollontay's own book as the "most comprehensive study" of the same subject.

While Mrs. Kelley seems clearly responsible for most of the "drives" of the Children's Bureau, it appears that the "maternity benefits" scheme—of which the Jones bill is the present fruit—came straight from Alexandria Kollontay.

Mrs. Kelley, in 1914, wrote an article on "Women and Social Legislation in the United States" published in the annals of the American Academy of Political and Social Science, November, 1914.

In that article, Mrs. Kelley admits that she was seeking "to standardize the wages and working hours of women and girls," urged old age pensions, minimum-wage legislation and various other measures, but made no mention of maternity legislation.

That scheme was undoubtedly brought to the United States by Alexandra Kollontay in 1915 and 1916, the feature of Kollontay's book Society and Motherhood, of 1916, and it was launched simultaneously by Kollontay at Moscow and by Miss Lathrop, then Chief of the Children's Bureau at Washington, in October, 1917.

11. A CAMPAIGN FOR POWER, NOT HEALTH

The Children's Bureau was established under the act of April 9, 1912, merely as a fact-finding or statistical agency, with no administrative powers. That was the intention of Congress. But its outside backers had no such intention. The Women's Journal, official feminist organ, a month after its establishment, declared:

"The women * * * must prepare to back Miss Lathrop up in the very near future. * * * We shall not be willing to let the establishment of the Children's Bureau mean simply investigation; it must mean power to change things. * * * In other words, we shall soon want to demand some very drastic legislation in behalf of the children of the Nation." (Women's Journal, May 11, 1912.)

That program—not the program of Congress or the Constitution—has been followed ever since. Administrative power to control children, irrespective of constitutional limitations, was sought by every means.

These drives of the Children's Bureau for a "full grant of power" over American homes and children have led to four suits in the Supreme Court—the Child Labor cases and the Maternity Act cases—and to one proposed constitutional amendment—which was overwhelmingly rejected by 36 States and ratified only by 5—after the Kelley-Abbott lobby had misled Congress to believe that the "organized womanhood of this country" wished to turn over control of their children—and persons under 18 years—to the Children's Bureau.

There is no more reason to believe the women of the United States favorable to the Jones bill—or favorable to the communist Mrs. Kelley and the bureaucratic Miss Abbott, as against the plans of President Hoover and everybody else for child welfare—than there was in 1924 to suppose them favorable to the extreme and revolutionary child labor amendment.

Many women's organizations, in fact, are on record vigorously against the communistic schemes and propaganda of the Children's Bureau. Copies of resolutions passed by such representative women's organizations as the American War Mothers, the Daughters of 1812, and the Daughters of the American Revolution are attached herewith.

Representative DENISON, of Illinois, who voted for the Sheppard-Towner Act, declared in 1921:

"This view * * * has been expressed to me in communications received through the mail that, rather than have the administration of this bill taken from the Children's Bureau, they would rather have no legislation at all on the subject." (House hearings, July, 1921, p. 262.)

The testimony of Miss Lathrop, then Chief of the Children's Bureau, at that hearing, also shows they regarded it as "not a health measure."

The Senate has three questions, rather than one, before it in considering this legislation:

1. The Senate can uphold the Constitution, the State rights planks of both great parties in 1928, and keep the "gentleman's agreement" made in the Senate in 1927, and incorporated in the act of January 22, 1927, as section 2 thereof, and approved by President Coolidge on that "understanding."

2. The Senate can carry out the plans of President Hoover and his Child Welfare Commission for further Federal subsidies for maternity and infancy, but "positively coordinated with the funds expended through the United States Public Health Service"—and in that case hold hearings on the entire subject, or await the final report of the President's Child Welfare Commission in February, 1931.

3. Or the Senate can throw overboard all other considerations, and without hearings or investigation, pass the Jones bill in the exact terms that the Kelley-Abbott lobby demands!

The present "drive" is another example of the "legislative technique" which Miss Grace Abbott teaches certain women's organizations for the final "assault upon the legislature or the Congress" by lobby pressure! (See address of Miss Grace Abbott on Legislative Technique, General Federation of Women's Clubs, May 27, 1926 (official proceedings, pp. 117-124).)

In conclusion, we respectfully appeal to the Senate to recommit the Jones bill (S. 255) for public hearings and complete investigation of the background, lobby backing, and communist philosophy and connections beneath this "drive" to restore a repealed administrative power to the Children's Bureau.

This petition, long as it seems, is but a bare outline of the evidence available, accompanied by original documents on every point, which the office of this one women's publication could furnish at public hearings on this subject. The doctors, the constitutional lawyers, and many eminent women who utterly oppose the Children's Bureau schemes—such as Mrs. William Lowell Putnam, originator of the first scientific prenatal care in the world, and Mrs. Frederic Schoff, former president of the Congress of Mothers, who presided over President Roosevelt's first White House Conference on Child Welfare in 1909—could furnish the Senate with much additional information.

In the words of the old town of Milton to its ancient representatives in the days when the rights of the American home to freedom from interference by petty officers was the greatest issue in America—and the issue from which our independence was born:

"We depend upon your steadiness, prudence, and firmness, and that you give not up one jot or tittle of our rights, but dispute every inch of ground with the enemies of our liberties and freedom."

Respectfully submitted by—

THE BOARD OF DIRECTORS WOMAN PATRIOT PUBLISHING CO.,
By MARY G. KILBRETH, *President.*

Mr. BINGHAM. I should like to call attention to one or two important points in the petition, in which it is explained, in the first place, that there have been no Senate hearings on this subject since July, 1921, more than nine years ago.

In the second place, the representatives of three distinct groups of citizens, who have all thoroughly studied this legislation and have opposed it since 1921, appealed to the Senator from Washington [Mr. JONES] for hearings thereon on or about Lincoln's birthday, including the American Medical Association, the Sentinels of the Republic, and other organizations. The petition sets forth that when the bill was reported out the Senator from Massachusetts [Mr. WALSH] referred to the fact that there had been no hearings, and he asked the then chairman of the committee, the Senator from California [Mr. JOHNSON], regarding the denial of the Senate's right of investigation through hearings, and that Senator replied that the bill had been referred to a subcommittee and the subcommittee subsequently had re-

ported it favorably and that he did not think the hearings were necessary.

I understand a motion has been or will be made to refer the legislation back to the committee in order that hearings may be held. I should like to inquire whether such a motion has been made?

The PRESIDING OFFICER. Such a motion has not been made.

Mr. BINGHAM. In that case, I move that the bill be referred back to the Committee on Commerce with instructions to hold hearings on it, since hearings were denied to several reputable organizations at the time the bill was before the committee, and since hearings have not been held in the Senate on the subject since 1921.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. BINGHAM. Certainly.

Mr. KING. In view of the fact that legislation of this character was before the Committee on Education and Labor, and it seems to me that measures of this kind should go to that committee, I ask the Senator if it would not be proper to move a reference of the bill to the Committee on Education and Labor? The Senator will recall that the Senator from Colorado [Mr. PHIPPS] was chairman of that committee which reported out the bill which later became the law and which was later repealed, and that committee is somewhat familiar with the subject because of the fact that they did report out a bill limiting the duration of the act to one or two years. It occurs to me that it is that committee to which the measure should be referred.

Mr. BINGHAM. I entirely agree with the Senator from Utah that that committee is the proper committee to which the bill should have been referred. It had always considered this type of legislation. The original bill came from that committee. The amendment which came in 1926 and 1927 was referred to that committee. I was a member of the committee at the time, when we held long discussions on what to do in the matter, and the bill was finally voted out with an amendment limiting the time of the continuance to one year. Naturally I supposed when an effort was made, as I had heard it would be made, to continue the legislation that the bill would be again referred to the Committee on Education and Labor, which had had the bill or similar measures before it at various times during the previous eight or nine years.

But I did not question the right of the Senator from Washington [Mr. JONES] to ask reference of the bill to his own committee, the Committee on Commerce, although I expressed the opinion the other day that it did seem to me, in view of the fact that the Committee on Commerce deals largely with navigation and with problems of water-borne commerce, that it was not exactly the committee to which this legislation should have been referred; that it was more appropriate to refer maternity legislation to the Committee on Education and Labor. But I appreciate the fact that the Senator from Washington was entirely within his rights in asking that it be referred to his committee, and therefore, since it was so referred and was considered by that committee and a subcommittee, I have moved that it be referred back to the same committee in order that hearings may be held on the subject, although I agree with the Senator from Utah that it would be more appropriate to refer it to the committee which has always considered the legislation. As a matter of fact, in the House of Representatives the legislation has usually been referred to the Committee on Interstate and Foreign Commerce and therefore that might be said, I presume, to establish a precedent for the action taken by the Senator from Washington.

Mr. President, there is no body of men or women in the country which is more seriously and faithfully engaged in promoting human health and happiness, and often rendering it at great expense of strength and time and money, services for which no compensation is received, than the body of physicians of the country, who give such a large part of their time to charity and whose whole lives are devoted to efforts to relieve suffering and promote health.

It is a very significant thing that that body, the official body of physicians in this country, constituting the American Medical Association, has repeatedly protested against this legislation. Also, I have before me communications and resolutions from various State organizations of physicians opposing the legislation.

Mr. President, as I said, there is no body of men in the country who labor more unselfishly for the health of the community than the physicians of the United States and the members of the American Medical Association. I have been repeatedly told by friends in that profession that they give more than half their time without any cost to caring for the poor in our hospitals and dispensaries. That fact is perfectly well known. Why should they be opposed to this legislation if it, indeed, accomplishes or will accomplish the purpose for which its proponents are introducing it? If it will accomplish the objects which they desire to have accomplished, why should the physicians oppose it? Why should their official organization go on record opposing it? Why should they in their conventions pass resolutions opposing it? Why should State organizations oppose the legislation? It is because the legislation does not do that which it aims to do and because it does harm to the promotion of health and hygiene in the States themselves by taking away from the States their responsibilities and placing them in a bureau in Washington.

Mr. President, I should like to offer a few remarks in an effort to clear away certain misunderstandings that may have been created by the report of the Committee on Commerce with respect to this legislation. The report which I hold in my hand—Calendar 368, Report No. 369—is entitled "To Amend the Maternity Act." The bill is for no such purpose. There is no maternity act in existence. The act which we passed, to which I made reference earlier in my remarks, was repealed in the middle of last year and is not in existence. There was no maternity act in existence when the report was made.

The maternity act—by which it is presumed it is meant the so-called Sheppard-Towner Act—was specifically repealed by an act approved January 22, 1927 (Public, No. 566, 69th Cong.). The report of the committee, dated April 9, 1930, was obviously based on a letter from the Secretary of Labor, dated May 31, 1929, and made a part of the report. In pleading at that time for the enactment of this bill the Secretary of Labor, now the junior Senator from Pennsylvania, said:

> I hope that the bill may be passed at an early date, so that projects now being supported jointly by National, State, and county funds may not be interrupted, and the trained personnel that the States have developed during the past seven years may not be lost through a lapse in the appropriation.

As a matter of fact, after that letter was written and many months before the committee made its report, the appropriation had lapsed, the trained personnel had presumably been scattered, the projects referred to had been interrupted—and all without any discoverable harm to the mothers and infants of the country. Finally, the statistics embodied by the committee in its report in support of the bill are so far out of date as to be practically worthless for the purpose of enabling anyone to pass judgment on it. They cover only three out of the seven years during which the Sheppard-Towner Act was in operation, showing nothing after 1924.

Proceeding now to a consideration of the bill itself, it will be recalled that an effort has been made in the course of this debate to justify or excuse its enactment by claiming that it is an educational measure, and that the dissemination of information for educational purposes is a legitimate function of the Federal Government. If that claim is sound and if the ends sought by the bill are meritorious, there is no reason or excuse for making the accomplishment of the ends desired by the Federal Government dependent on the consent of State legislatures or on State appropriations.

We appropriate money every year in considerable quantities for the Bureau of Educatien in the Department of the Interior. That money is spent widely in its investigations all

over the United States, but it is never done on the 50-50 basis, nor is there any effort made to the end that the money which is spent shall be used as a bribe in consideration of somebody in some State changing his mind to accord to the wishes of a bureau in Washington.

But even if we admit that it is a proper function of the Federal Government to disseminate information concerning health among mothers and infants and concerning other matters, we do not necessarily admit that the Federal Government is at liberty to use any and all means toward that end. The establishment of Federal dispensaries, clinics, and health centers in a State by the Federal Government may be a very effective means of disseminating information. But if the Federal Government can, without the consent of a State, establish dispensaries, clinics, and health centers within its boundaries for educational purposes, then the Federal Government can in like manner establish police departments, fire departments, schools, assessment offices, tax-collection offices, and so on indefinitely, for the purpose of educating the people of the State how they and their officers should run their State governments in the interest of the people. To state the case is to show the absurdity of the effort made to justify the pending legislation on the ground that it is merely a proposal to exercise the authority of the Federal Government to engage in educational activities.

Moreover, if the purpose of the service that is to be established under this bill is on the one hand educational, as claimed by its proponents, and on the other hand medical, as the record and the debate clearly show, why do the proponents of the bill undertake to intrust its administration to a bureau that is neither educational nor medical and not to the established educational bureau of the Federal Government, the Bureau of Education, or to the established health service of the Federal Government, the Public Health Service, either or both? The claim that the bill is primarily educational in its purpose clearly requires better support than has yet been offered, if it is to be accepted.

Incidentally, at the request of the President of the United States, there was held recently in Washington a conference on child welfare to which more than 1,000 delegates came from all over the United States. Those of us who followed its activities through the newspapers will remember that the question of whether the infant-maternity welfare bureau should be taken out of the Department of Labor and placed in the Public Health Service received a good deal of attention, and there was considerable activity one way or another. Finally the matter was referred to a committee for study. But without waiting for the report of that committee of this important conference called by the President, we are asked by the friends of the President to rush ahead and enact this legislation, which will continue this work not for two years or three years or five years but indefinitely and indefinitely leave it in the Department of Labor under its present bureaucratic head.

Mr. President, it has been argued in support of this bill that because the Federal Government has paid subsidies to the States on other occasions and for other purposes there is no reason why it should not now pay subsidies for protecting and promoting the health of mothers and infants. If that argument is sound, there is no reason why the Federal Government should not pay Federal subsidies to any State for any purpose whatever. It might mulct the taxpayers of the country of any amount that a bare majority in Congress might see fit to approve in order that officers of the Federal Government could, through Federal subsidies, buy from the several States the right to control within their borders all matters of police, fire protection, traffic control, waste disposal, school management, and so on. Viewed in this light, the system is obviously subversive of our dual system of government, and yet the plan that we are now urged to adopt differs from the enlarged plan just outlined not one iota in principle but only in extent.

Obviously some of the Federal subsidies that have been paid to the States have been clearly justifiable on constitutional grounds, but no constitutional ground can be found for the encroachment of the Federal Government on the right of the States to control their own internal affairs in so far as relates to the protection and promotion of the health of mothers and children. When the direct issue was presented to the United States Supreme Court in the suit instituted by the Commonwealth of Massachusetts to prevent the carrying of the Sheppard-Towner plan into effect, the court discreetly avoided deciding the question. The same court had, however, previously held two child-labor laws enacted by Congress to be unconstitutional, because they invaded the rights of the States to look after the welfare of their own children; and yet those laws were based on constitutional authority much stronger than any semblance of authority that can be found in the Constitution for the support of legislation of the Sheppard-Towner type, for one was based on the constitutional authority of the Federal Government to regulate interstate and foreign commerce and the other was based on its constitutional authority to levy taxes.

That there is adequate constitutional authority for Federal subsidies for road building no one can deny, although one may well question the wisdom of exercising that authority in particular instances. The Federal Government is authorized to establish and maintain post roads. It must maintain roads for military purposes. If, then, it finds it more economical to establish such roads through State cooperation than through independent Federal action, there is no reason why it should not adopt that course, and every reason why it should. The Federal Government alone has authority to supervise and control interstate and foreign commerce. The communicable diseases of man and of animals and of plants may be spread through interstate and foreign commerce. If in order to prevent their spread the Federal Government finds it expedient to go into a State in order to get at the source of contagion instead of quarantining the entire State at its boundary line, there would seem to be no reason why it should not do so, even without the consent of the State, and therefore certainly no reason why it should not do so in cooperation with the State, through subsidies or otherwise. Hence Federal subsidies and cooperation for the suppression of communicable diseases, such as hog cholera, tuberculosis, and foot-and-mouth disease, rest on a sound constitutional basis. The Federal Government owns vast forests. If by virtue of that ownership it finds it more economical and efficient to join hands with the several States in establishing patrols for the prevention of forest fires on Federal property, that course would seem to be merely good business.

The fact, however, that there are certain fields within which Federal subsidies and Federal cooperation are proper does not justify Federal subsidies and cooperation when there is no justification for them in law and when their immediate effect is to build up a Federal bureaucracy that will enable a small group of Federal administrative officers to dominate and control the activities of the States within fields that belong primarily and exclusively to the States themselves. By the system of Federal subsidies and control provided for in the pending bill, a Federal bureau, in cooperation with a triumvirate created especially for that purpose, is given control over maternal and infant hygiene within the States. By the same method, the same group or any other group of Federal officers can be given control of the hygiene of the entire population. If by that method Federal officers can obtain control of the hygiene of the entire population it is evident that by a simple extension of the process Federal officers can be given control of all matters pertaining to the safety, morals, property rights, and other matters of public policy within the States—and our dual form of government will be swallowed up in a bureaucracy pure and simple.

Mr. President, I should like at this point to call the attention of those who are interested in this subject to the history of legislation regarding the welfare of bodies and souls, religious legislation, sumptuary legislation, which can be found in the pages of such countries as Spain, for instance, where during the fifteenth, sixteenth, and seventeenth centuries a body of very earnest, conscientious people were determined, if they possibly could, by law to make people good, to save their souls from eternal damnation, to make them

wear the right kind of clothes, not to spend too much money on their clothes, to make them eat the right kind of food, and drink the proper kind of drinks wherever they might be. That legislation, Mr. President, as every student of Spanish history knows, failed utterly, although no government ever had more secret agents, more open agents, and more power to carry out its measures than did the Spanish Government of those days. Through such institutions as the inquisition it was enabled to go into homes, to find out what the people were drinking and eating and wearing and what they were saying about the salvation of their immortal souls. Nevertheless the legislation failed, as similar legislation has always failed in the history of the world whenever a great central government has attempted to apply to sumptuary matters laws enacted by it.

Mr. President, proponents of the Sheppard-Towner Act claim that one of its purposes was to stimulate the States to provide on their own account for the welfare of the mothers and infants within their respective borders. I claim that there is no evidence that it did so, notwithstanding the figures that have been read on the floor during the debate.

On the contrary, there is very strong evidence that the Federal subsidies provided by the act led many States, possibly all of them, to withhold State appropriations that they would otherwise have made so long as the Federal Government was paying a part of the cost. There is no other explanation to the fact that immediately on the discontinuance of subsidies from the Federal Government 15 States and the Territory of Hawaii each appropriated an amount equal to the combined State and Federal funds of the preceding year. The States referred to are Delaware, Maine, Maryland, Michigan, Missouri, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, South Dakota, Tennessee, Vermont, and Wisconsin. There is no reason to believe that these States could not have made such enlarged appropriations before the withdrawal of the Federal subsidy quite as easily as they did after it was withdrawn. Moreover, the pending bill proposes to give further subsidies to each of the States named. If the combined Federal and State funds previously allotted these States were adequate, clearly the present State appropriation is adequate and no further Federal subsidies are needed. What, then, is to be done? Are these States to lose such advantage as may be thought to be inherent in Federal subsidies because they themselves have made adequate appropriations? Or is the Federal Government to match the enlarged appropriations made by these States and thus establish a precedent for matching all future appropriations? What is to be the limit of Federal subsidies for maternal and infant welfare work in the several States, or is there any limit? Is the Federal Government going to provide subsidies for the States that are obstinately holding out for Federal aid, holding out even to the supposed detriment of the mothers and infants within their borders, while paying no subsidies to the States that have enlarged their appropriations, and thus allow the recalcitrant States to profit by their obstinancy and callousness?

Whether the States that have not increased their appropriations since Federal subsidies were withdrawn have failed to do so because of the poverty of the State or because of a lack of interest in the saving of the lives of mothers and infants, or whether they are merely holding out in the hope of forcing the Federal Government through popular clamor to appropriate for the State needs in the field of maternal and infant hygiene so as to allow the States to use their own money for other purposes should certainly be determined before Federal aid is extended to them. If a State is so poor that it can not through taxation or bond issues provide the money necessary for safeguarding the lives and health of its citizens, an audit of the State's accounts should demonstrate that fact. Only after it has been demonstrated, and not before, should Federal aid be extended. Then it should be definitely extended as a matter of charity, as an outright gift or as a loan, and not as the purchase price for the surrender of State rights.

Mr. President, I think that it will be seen by all unprejudiced persons that the charge that those who are opposed to this bill are acting only through considerations of gross materialism is confuted by the fact that the medical societies of the States and the greatest medical association of the United States are opposed to this legislation and are antagonistic from no materialistic motives whatever, since their members give their lives to promoting health and to preventing disease. Those of us who are fighting this legislation on the floor of the Senate are interested chiefly in preserving to the States the rights which were preserved to them under the Constitution. Many of us come from States which were loath to give up their rights as sovereign States, but they did so in order to promote the national prosperity and strengthen the National Government. However, the powers given to Congress were restricted; they were specified; and under an amendment to the Constitution it was clearly stated that any powers not granted to the Congress were reserved specifically to the States and to the people thereof.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BINGHAM. I will yield in just a moment. I realize that under the general-welfare clause of the Constitution the pending legislation has been proposed; that similar legislation and other legislation of like character has been enacted heretofore. Students of the debates on the general-welfare clause are divided, but the great mass of the opinion of constitutional lawyers, so far as I have been able to ascertain, is that the words "general welfare" refer to the general welfare of the States and not the general welfare of the citizens thereof, who are naturally supposed to depend on their States to look after their general welfare. Now I yield to the Senator from New York.

Mr. COPELAND. Does the Senator believe, Mr. President, that the Federal Government is actually going into the States to do something when this appropriation shall be made? Does the Federal Government have anything to do with the administration of the fund or with the way in which it is applied in the individual States?

Mr. BINGHAM. If the Senator will read the act carefully he will see that there must be an agreement in order to carry out the measure in the way in which the bureau wishes it to be carried out before the money shall be used.

Mr. COPELAND. Are those regulations carried out by the State or by the Federal Government?

Mr. BINGHAM. If the State does not carry them out, it does not get the money. It is a bribe to the State to do something that it otherwise might not want to do. May I say to the Senator from New York that there are a few States that are so anxious to preserve their own way of doing things, and take such pride in the way they do things, that they have been unwilling to be bribed even though they have to pay the taxes to see to it that the measure is put into effect in other States?

Mr. COPELAND. In my State we had a distinguished Republican governor, who opposed the use of the funds for the reasons which have been so ably set forth by the Senator from Connecticut, but under later governors the fund was used. In my State, of course, a very large portion of this tax will have to be paid.

Mr. BINGHAM. That is true.

Mr. COPELAND. There is not any question about that; but, to go back to the point the Senator has in mind, I can not see how there is the slightest interference with the freedom and liberty of the State and the sovereignty of the State in the administration of the fund. That is a matter which I shall be glad to hear the Senator discuss at some time.

Mr. BINGHAM. Mr. President, in an effort to minimize the arbitrary, bureaucratic character of the pending bill, it has been asserted that if the plans submitted by any State health agency to the Children's Bureau are disapproved by the board of maternity and infant hygiene, the State health agency may appeal to the President for a review. So far as the obnoxiousness of bureaucracy is concerned, it is probably not material whether a State be subject to domination by a Federal bureau or a Federal board or by the President. The fact is, however, that section 7, which requires the submission of plans and requires their approval

by the triumvirate established to pass on them, provides for no appeal to the President; the decision of the board is final. The protagonist of the bill who alleged that there was an appeal to the President has presumably confused the provisions of section 7, with respect to the approval of plans in the first instance, with the provisions of section 10, which provide for an appeal to the President if the board of maternity and infant hygiene interrupts the State in the execution of projects that the board has previously authorized. Bureaucracy is one of the outstanding characteristics of the bill, and obviously it must not be hampered in its course by appeals to anybody.

In urging the enactment of the pending bill an effort has been made to show the wonders that were accomplished under the previous bill, the Sheppard-Towner Act. It has been pointed out repeatedly that as the result of seven years' labor and the expenditure of $11,000,000 of Federal and State moneys an elaborate organization was built up, a vast organization made up of a few doctors, many nurses, some social workers, an assorted variety of clerks and other employees, child-health centers, clinics, conferences, and other things too numerous to mention. The size and complexity of that organization will readily be admitted. If the end and object of the Sheppard-Towner Act was to build up a fearful and wonderful machine such as has been described, the act was undoubtedly a glorious success. When the act was being passed, however, it was not claimed that its purpose was to build up a great bureaucratic organization but that its purpose was to reduce maternal and infant mortality; and of the accomplishment of that purpose there is certainly no evidence.

The fact is, Mr. President, that infant mortality rates fell more slowly after the Sheppard-Towner Act was passed than they did before. Let the proponents of the legislation account for that fact if they can. The Sheppard-Towner Act movement itself seems to have had its inspiration in the wonderful work that was being done by State, municipal, and county health agencies toward the prevention of infant mortality. The facts that there were not in the several States, when the Sheppard-Towner Act was passed, health organizations known specifically as bureaus of child hygiene, and that in many States there are now agencies so designated, are entirely beside the mark. Long before the Sheppard-Towner plan was even dreamed of, infant and maternal life were being protected and promoted by the regularly organized health forces within the several States, counties, and municipalities.

Mr. President, I do not wonder that people do not like to listen to this, because it is contrary to what so many people believe. It has been stated here repeatedly that the passage of this legislation increased health in the United States, diminished the number of deaths of mothers, and diminished the number of deaths of infants. That has been stated so often that no one has thought to look up the facts and see whether or not it was true.

As a matter of fact, Mr. President, under the influence of agencies which existed prior to the passage of the Sheppard-Towner Act, which it is now intended to resurrect, the infant-death rate in the birth-registration area in continental United States fell from 100 in 1915 to 76 in 1921, or 24 points. That was before the Sheppard-Towner Act was passed. Then came the Sheppard-Towner period; and between 1922 and 1929 infant-death rates in the registration area fell from 76 to 68, or 8 points. This record of the failure of the Sheppard-Towner Act to accelerate in the slightest degree the decline of the infant-death rate in the birth-registration area as a whole is matched by the record of its failures in many of the States that did adopt the act.

For instance, let us take the State of Kentucky: In Kentucky, between 1917 and 1921—years prior to the passage of the Sheppard-Towner Act—the infant death rate was reduced from 87 to 62. Then Kentucky accepted the bribe of the Federal Government and came in under the Sheppard-Towner Act in 1922, and its infant death rate promptly went to 69. After eight years of labor and expense under the influence of the Sheppard-Towner Act Kentucky, in 1929, found its infant death rate to be 71.

What a dreadful thing this act is, Mr. President—what a dreadful thing! Here was a sovereign State which, prior to 1921, had reduced its infant death rate all by itself from 87 to 62; and then, thinking that the wisdom of the Congress of the United States was so great that it ought to adopt something that would help it still further to reduce this death rate, it accepts the Sheppard-Towner aid, and the death rate goes from 62 up to 71. What a dreadful thing this act is!

Virginia, in the 5-year period immediately preceding the Sheppard-Towner era—1917 to 1921—reduced its infant death rate from 98 to 79, a decrease of 19 points. When it adopted the Sheppard-Towner Act in 1922 its infant death rate was 77. The net change in the death rate of Virginia in 1921 was a rise to 79, an increase of 2 points.

During three of the intervening years, while the Sheppard-Towner plan was in operation, the infant death rate in Virginia stood at 81, 84, and 84. Here again, Mr. President, if figures do not lie, is testimony to the fact that this act is a very dreadful thing. It would appear from this—although I do not say that it is the cause—that the passage of the Sheppard-Towner Act, and its adoption by the State of Virginia, caused an increase in infant mortality, because before they took the act their infant death rate had fallen from 98 to 79; and then, in the years when they had it, it went up to 81, 84, and 84; and finally, in 1929, it went down to 79 again, which was the point at which it was when they first accepted the Sheppard-Towner Act.

Of course, in some States it has worked the other way. Undoubtedly, the reason why the Senator from Washington introduced the bill is that it apparently has helped in the State of Washington. In the State of Washington the infant death rate in 1917 was 69. In 1922, when the Sheppard-Towner bill was passed, it was 62. In 1923 the infant death rate fell to 57, and in 1929 it fell to 49. In the six years preceding the Sheppard-Towner period the death rate fell seven points. That was before they got the benefit of this marvelous legislation; and in the seven years during which they have enjoyed it the death rate fell eight points. They gained one point by adopting the legislation and adopting the rules set forth by Washington.

A comparison can profitably be made between the improvement effected in infant death rates in States that never adopted the Sheppard-Towner Act as compared with the improvement made in States located near by, and therefore made up of populations more or less similar, and subjected to similar influences of climate and other external conditions influencing health.

Connecticut did not adopt the Sheppard-Towner Act. We preferred to spend our own money in our own way in looking after the welfare of mothers and children. In 1922, the first full year during which the Sheppard-Towner Act was in effect, but not in effect in Connecticut, our death rate in Connecticut was 77. In 1929, without the aid, domination, or control of the Sheppard-Towner forces then in operation, we in Connecticut had reduced the death rate to 64.

(At this point a message was received from the House of Representatives, which appears under its appropriate heading.)

Mr. BINGHAM. Mr. President, at the moment of the interruption by the message from the House I was endeavoring to point out how infant mortality had diminished in States which did not adopt the benefits of the Sheppard-Towner Act and compare what happened in those States with States adjoining thereto, with similar climatic and racial conditions, which did adopt it.

The first State to which I referred which did not adopt this legislation was Connecticut. When the Sheppard-Towner Act went into effect in other States the Connecticut infant death rate was 77. In 1929, seven years later, without any aid from the Sheppard-Towner Act, the death rate in Connecticut had fallen to 64—13 points. In two of the intervening years it was even as low as 59.

The neighboring State of Rhode Island adopted the Sheppard-Towner Act in 1925, when the infant death rate was 73. In 1929, four years later, the death rate was 72, a

diminution of 1, with a record in one of the intervening years of a death rate of 82.

In New Hampshire, a not-far-distant New England State, the Sheppard-Towner Act was adopted in 1922, when the infant death rate was 80. The death rate in 1929 was 68. In one of the intervening years it was 93. There is certainly no evidence of any advantage being derived by Rhode Island and New Hampshire through the adoption of the act. Connecticut, which did not adopt it, did better.

In other words, Mr. President, it does not appear as though one can lay to the credit of this act any diminution in infant mortality. I have given examples of States where the mortality rate actually increased under the provisions of the act, when it had greatly decreased prior to the passage of the act; and I have given the example of a State which did not adopt it where the infant mortality rate decreased very considerably.

The State of Illinois never adopted the Sheppard-Towner Act. In 1922 its infant mortality rate was 76. In 1929, when the act went out of effect, it had fallen to 61, or 15 points. That is what Illinois did without any benefit at all from the act. Its neighboring State, Indiana, which adopted the act in 1923, when its infant death rate was 71, reported an infant death rate in 1929 of 64, a diminution.

The infant death rate in Illinois, without the influence or help of the Sheppard-Towner Act, fell 15 points in eight years, while in the neighboring State of Indiana, with the help of the Sheppard-Towner Act, it fell only 7 points. If one wanted to base an argument on figures, one might claim that this proved that the Sheppard-Towner Act actually did harm to the women and children whom it is supposed to benefit. That, however, is not the object of my argument, but rather to show that it does not do that which it pretends to do, but actually does harm in taking away from the States certain responsibilities which are theirs.

The Commonwealth of Massachusetts refused to adopt the act, and in fact instituted suit to prevent it from being carried into effect. Between 1922 and 1929 its infant death rate fell from 81 to 62, 19 points.

Its neighboring State, New York, whose Senator just spoke to us about the advantages of this legislation, adopted the act of 1923 when its infant death rate was 72. In 1929, after having enjoyed the advantages of the act for six years, it was 61, a fall of 11 points in seven years, as compared with a fall of 19 points in the same length of time in the neighboring State of Massachusetts, which did not enjoy the benefits of the act. If New York had only followed the example of Massachusetts and not adopted the act, they might have had their infant mortality rate fall as it fell in Massachusetts.

The Sheppard-Towner Act was never in effect in the District of Columbia. Its infant death rate fell from 85 in 1922 to 71 in 1929. In the neighboring State, Virginia, the act was adopted in 1922, when its infant death rate was 77. Having lived under the Sheppard-Towner Act during the entire time when the act was in effect, the State of Virginia found itself at the expiration of that period with a death rate of 79, two points higher than when it started.

The comparison of infant death rates for the purpose of determining the efficiency of sanitary measures is difficult. It was on such comparisons, however, that the proponents of the Sheppard-Towner Act relied in the first instance to procure its passage and on which they have relied since to justify its existence.

Judged by their own standards, however, there is nothing to show that the Sheppard-Towner Act ever accelerated anywhere, even to the slightest degree, the rate of decline in the infant death rate that was under way when the act was passed. Neither is there any evidence to show that the States that adopted the act made more rapid progress in reducing their infant death rates than in those States that maintained their independence.

The claim that the States that did not adopt the act were enabled to make the progress that they did in reducing their infant death rates because of knowledge that they acquired through conferences held under the authority of the Sheppard-Towner Act is without the slightest evidence to support it. In fact, there is not the slightest evidence to show that the seven years' labor and the $11,000,000 expenditure under the Sheppard-Towner Act ever developed one new fact or one new method looking toward the more effective prevention of infant and maternal sickness and death. As has been pointed out with respect to some of these States, and as is equally true with respect to others, the rate of decline in the infant death rate was even more rapid before the days when the Sheppard-Towner plan was developed than it was afterwards.

Vermont did not adopt the Sheppard-Towner Act until 1925, and in the 5-year period 1925-1929 its infant death rate fell only 6 points, from 72 to 66. In the 5-year period immediately preceding, 1920–1924, Vermont's infant death rate fell 26 points, from 96 to 70.

In New York the infant death rate under the influence of the Sheppard-Towner plan between 1923 and 1929 fell only 11 points, from 72 to 61, while in the 7-year period immediately preceding, 1916–1922, it fell 17 points, from 94 to 77.

I appeal to my good friend the Senator from New York to know why he claims that they benefited by adopting the act, when the death rate had fallen 17 points in the preceding six years and fell only 11 points after they adopted it.

Mr. COPELAND. Mr. President, I assume, according to the logic of the Senator, then, that if we would stop all of our public-health work, all of our efforts in that regard, the death rate would become nil.

Mr. BINGHAM. No, Mr. President, I made no such statement. I am merely asking that the Federal Government get out of the business of telling the States how to raise their babies.

Mr. COPELAND. Mr. President, I utterly disagree with the Senator that the Federal Government is telling the States how to raise their babies. They are assisting the States to carry out the States' own programs on how to raise babies. That is the way I understand the bill.

Mr. BINGHAM. The assistance they gave to New York caused the rate, which had been decreasing, to slow up in its decrease.

Under eight years of the Sheppard-Towner plan—1922–1929—the infant death rate in Maryland fell 14 points, from 94 to 80; but in the preceding six years—1916–1921—it fell 27 points, from 121 to 94. To believe that any State learned anything from the Sheppard-Towner plan that assisted it in the reduction of its infant death rate that could not have been learned if the act had never been passed is without evidence to justify it and calls for a considerable stretch of the imagination.

A discussion of maternal mortality rates fails to reveal any evidence of any benefit derived from the Sheppard-Towner Act. The maternal mortality rate for 10,000 live births in the birth-registration area in 1915 was 61. In 1921, before the Sheppard-Towner Act was effective, it was 68.2. In the first year of the Sheppard-Towner period—1922—it was 66, and in the last year of the Sheppard-Towner period—1929—it was 70.

In view of the claim that the failure of the Sheppard-Towner Act to cause any decrease in the maternal mortality rates as shown by the census figures was due to the addition to the birth-registration area from time to time during recent years of States in which maternal mortality was high, it seems proper to compare the maternal mortality rates in individual States before and after the adoption of the Sheppard-Towner plan, and to compare the rates in States that did adopt the plan with the rates in States that did not do so.

I think it will be seen that what I am trying to do is to show that our opposition to this legislation not only is not materialistic but is based on the advice of the leading medical societies of the United States, and also backed up by the figures which fail to prove the advantage derived from the expenditure of this money, which is a very small amount, a very small matter, in our National Budget; but, what is far more important is putting into effect this system of bribery of the States, telling them what to do instead of letting them find out what to do and become self-reliant through doing it in their own way.

Let us go to Kentucky. In that State the maternal mortality rate for 10,000 live births in 1917 was 60. In 1921 it had risen to 63. The following year the Sheppard-Towner Act was adopted when the maternal death rate was 61. The death rate in 1929 was 66. In 1929, after seven years of the benefits of the Sheppard-Towner Act, the rate had risen 5 points and was 66. What did Kentucky gain in seven years under the Sheppard-Towner Act?

In Virginia the maternal mortality rate was 82 in 1917 and 70 in 1921. The Sheppard-Towner Act was adopted the following year when the maternal mortality rate was 70, and in 1929 the rate was 71.

Let us admit that there might have been an additional amount of illness of some sort or other; surely, in seven years, if the thing had been worth anything at all, we might have seen a diminution instead of a slight increase.

Connecticut did not adopt the Sheppard-Towner Act. The maternal mortality rate in the State fell from 57 in 1922 to 54 in 1929.

The fact is that a study of maternal mortality rates in the United States yields very little direct evidence to justify or to discredit the Sheppard-Towner Act. The figures stand, however, definitely to the discredit of the act, not only because they fail to justify it, but because of the absence of evidence to show that seven years' labor and $11,000,000 expenditure under the act have reduced maternal mortality in any way or have pointed to any way in which it can be reduced.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from New York?

Mr. BINGHAM. I yield.

Mr. COPELAND. The Senator has spoken of bribes. I think he said the maternal death rate in his State dropped from 57 to 54. Of course, the Senator takes into consideration the fact that in his State there has been a very active campaign on the part of a very efficient group of public-spirited men to lower the death rate. I am sure he would not consider that if the State of Connecticut had had this additional aid, there would have been any increase in the mortality because of that aid. I am sure that the logic of the Senator is not convincing, because in his progressive State there is not the same need of this important work. In a State less favored in a financial way the work proposed by this legislation would accomplish in a measure what has been accomplished in the State of Connecticut. That is the way it strikes me, and I am sure that the figures the Senator has given are not convincing as regards the effect of the Sheppard-Towner Act upon the mortality rate in maternity cases.

Mr. BINGHAM. I hope that if we had adopted it we would not have had any increase in our death rate, but we certainly would have had that much less satisfaction in governing our State. The Senator has referred to the fact that a group of public-spirited citizens are active in reducing the death rate. That is the very thing which the Senator from Utah and others opposing this legislation want to promote in other States. We want to give some encouragement to a group of public-spirited citizens to go about and develop their pride in their States by doing these things for themselves instead of leaning on a crutch in the form of aid from the Federal Government.

The Senator has referred to the State of Connecticut as a wealthy State. A few moments ago he told us that the State of New York paid a far larger share of Federal taxation, and that is true, because the State of New York, as everybody knows, is the richest State in the Union.

On the other side of the State of New York is the State of New Jersey. I hold in my hand a communication signed by the executive secretary of the Medical Society of New Jersey addressed to the Members of Congress, in which the statement is made:

> We are informed that the Jones-Cooper maternity and infancy bill (S. 255) has been reported out of committee and is now before the Senate for action, and that a similar bill (H. R. 1195) is pending in the Committee on Interstate and Foreign Commerce of the House of Representatives.
>
> May we take advantage of the occasion to again advise you that the Medical Society of New Jersey, comprising nearly 2,500 practicing physicians of this State, is opposed to the enactment of either of these proposed laws. We believe that control and direction of such public-health matters rest with the individual States and should not be taken over by the Federal Government. We respectfully direct your attention to the fact that New Jersey was properly and satisfactorily caring for maternal and infant welfare years before the old Sheppard-Towner Act was adopted; that the conditions in New Jersey were not benefited or improved by acceptance of the terms of the Sheppard-Towner law; and that seven years' experience with that law did not help the Nation one particle. It is true that there has been some slight improvement in maternity and infant mortality during the past 10 years, but a careful study of the records will convince you that such improvement was just as marked in States that did not accept the provisions of the Sheppard-Towner Act as in States that did; in fact, the showing is better in Connecticut, which rejected the Sheppard-Towner plan, than in New Jersey since the plan was accepted.
>
> We object to reenactment of the Sheppard-Towner Act—and that is what the pending measures amount to—because:
>
> (1) Such legislation constitutes Federal encroachment upon States' rights.
>
> (2) Such laws would establish a bureaucracy in Washington, where purely medical matters will be directed by medically untrained laymen.
>
> (3) Seven years' experimentation with the Sheppard-Towner Act proved absolutely fruitless—save to a small group of office-holders.
>
> (4) The $7,000,000 (approximately) expended by the National Government added to a like sum from the several States was largely wasted. Neither the Nation nor the States can afford to repeat such wastefulness.
>
> (5) It is unfair to tax progressive States, that do look after the health interests of their people, to give to backward or careless States that do not show active interest in the welfare of their own citizens.
>
> (6) It is unwise, if not beyond the constitutional privileges, for the National Government to enter into the practice of medicine in the States; just as unwise and as wrong as it would be to interfere with the public schools or the police force.
>
> We trust you will use your influence in opposition to the acts above mentioned.

Mr. President, it is obvious that States on both sides of the great State from which the Senator comes, Massachusetts, Connecticut, and New Jersey, all feel that there is nothing to be gained from this legislation; that those who primarily are interested in the health of mothers and children believe that it is a waste of money; and that it does not accomplish that for which it is intended.

One word may be said with reference to comparisons that are frequently made between infant mortality rates and maternal mortality rates in the United States as compared with infant mortality rates and maternal mortality rates in foreign countries. In the United States it is recognized that mortality rates of any kind are not fairly comparable until it has been shown that the registration laws of the several jurisdictions whose rates are to be compared are effective laws; that they are efficiently administered; and that the statistics based thereon are fairly and properly compiled according to standard and approved methods. Nevertheless, we are served continually by proponents of the Sheppard-Towner plan with figures purporting to show that maternal and infant life in the United States is deplorably neglected as compared with maternal and infant life in certain foreign countries. No effort is made by those who disseminate such figures to show that the various countries from which they have come have effective registration laws or effectively enforce them or compile their figures according to United States standards. The figures are misleading and worse than useless.

Moreover, even if it could be shown that the mortality and infant death rates in some foreign country—for instance, New Zealand—were lower than those in the United States, it would not follow that the advantage was due to better sanitary control in the foreign country or the adoption of foreign methods would yield similar results in the United States. Population, climate, and economic and social conditions are commonly controlling factors, and frequently it would be impossible to duplicate them in the United States even if it were deemed desirable to do so.

The whole situation may be summed up by saying that however great an appeal the pending measure may make to the sympathies of this body, its proponents have as yet not

produced one fact to justify its enactment. On the other hand, its enactment is clearly an encroachment by the Federal Government on the traditional and constitutional rights of the State and one that forebodes no good to our dual plan of government. In the words of Chief Justice Hughes:

Paradoxical as it may seem, not only the security but the efficiency of the Union lies in the appropriate maintenance of the authority of the States within the proper spheres of local government and local policy. Despite all the economic changes and the intimacies of closely related activities, notwithstanding the vast expansion of interstate commerce in novel forms leading to unanticipated applications of the national authority, which was granted with extraordinary wisdom in a very general formula, the States continue as reservoirs of power reserved, not conferred, by which they deal with a multitude of particular concerns and enjoy differentiations congenial to local sentiment.

However difficult it may be in constitutional interpretation to maintain perfectly and to the satisfaction of all this balance between State and Nation, it is of the essence of American institutions that it should be preserved so far as human wisdom makes this possible, and that encroachments upon State authority, however contrived, should be resisted with the same intelligent determination as that which demands that the national authority should be fully exercised to meet national needs.

It will be remembered, I will say for the benefit of those who are here now and who were not here when I made the motion, that I have moved to refer the measure back to the committee for hearings in order that the great American Medical Association, the Sentinels, and others may be heard on this new measure.

Mr. President, I have received some characteristic letters from several physicians which I should like to read, but shall not take the time to do so. There is one, however, which I shall read, as follows:

FARMINGTON, CONN., *April 11, 1930.*

Senator HIRAM BINGHAM,
Washington, D. C.

DEAR SENATOR BINGHAM: I dislike to run to my representatives in Congress about matters that come up off and on of comparative unimportance, but I have been interested in the past in a bill which has been reported out of committee recently with favorable recommendations.

If you want to get a slant on how your constituents stand, I think you would find that most of them are against it. It is known as the Jones maternity bill, and is like similar bills which have been proposed in the past. I am given to understand that this bill was reported out of committee without any public hearing, although the American Medical Association and others wished to be heard and had written the committee.

May I as one of your constituents request you to carefully consider the matter before voting for it, and if you can see your way clear to voting against it it will be in line with the feeling of a large number of thinking people.

Sincerely yours,

HEYWOOD H. WHAPLES.

I have also a communication from the Connecticut State Medical Society. I prefer to read this to reading the opinions of individuals, because I think we are all agreed that State medical societies generally contain, if not all, most of the physicians who are most highly regarded in their communities, the wisest and most faithful and most self-sacrificing group of men in their States. That is certainly true of the Connecticut State Medical Society. The secretary, Dr. Charles W. Comfort, jr., was one of the most distinguished surgeons of the World War, repeatedly decorated and given the distinguished-service cross for great heroism at the front. He is one of the leading physicians in New Haven. He writes as follows:

THE CONNECTICUT STATE MEDICAL SOCIETY,
New Haven, Conn., April 19, 1930.

The Hon. HIRAM BINGHAM,
Senate Office Building, Washington, D. C.

DEAR SENATOR BINGHAM: It again becomes necessary for the Connecticut State Medical Society to recall to you protests previously filed regarding the Sheppard-Towner Act and similar legislation, and to protest again against the enactment of the Jones-Cooper maternity and infancy bill (S. 255 and H. R. 1195) and several allied bills pending before the present Congress.

A copy of the letter sent you early in 1929 regarding this matter is inclosed for your convenience. Inclosed also are pamphlets from the American Medical Association which summarize the situation regarding this type of legislation, and with the conclusions of which this society is in complete accord.

We agree with you absolutely upon the advisability of preserving the rights of the several States, upon which Connecticut has always been steadfast. The subject of the present proposed legislation differs no whit in principle from schools, police and fire departments, etc. The platforms of both political parties opposed this type of legislation, as shown in the pamphlet. The opinion and recommendation of the President of the United States has in no way changed the opinion of this society in this respect.

If, after thorough study, it is considered necessary to legislate after this fashion, the medical profession is convinced of the wisdom of centering the control of these activities in the United States Public Health Service rather than under the lay organization of the Children's Bureau of the Department of Labor. It is our belief that all public health and hygiene, and "welfare" measures apparently associated therewith, should be under the direction of professionally trained medical men and sanitarians, who certainly can best evaluate the problems of such work. The Public Health Service has proven itself a most capable and efficient organization, worthy of any trust which might be imposed upon it; its programs and efforts have been severely hindered through serious lack of necessary appropriations; it certainly deserves more sympathetic consideration on the part of Congress for the furtherance of its well-planned and wisely visioned work. If Federal paternalism and bureaucracy must be had, place it where it will be least obnoxious and where there will be assurance of intelligent administration. The representatives of the American Medical Association have appeared and will appear at hearings to further detail this phase, and should be accorded most thoughtful consideration.

We look to you, as one of our representatives in the Congress, to primarily oppose this type of legislation. The efforts of Mr. MERRITT in 1929 were especially effective, and the society's appreciation of the efforts of all of the State representatives was sent you last October. May we again have your assistance?

Sincerely yours,

CHARLES W. COMFORT, Jr.

The inclosure is a copy of an official letter sent from the Connecticut State Medical Society in January, 1929, at the time when a similar bill was before Congress, and reads:

In behalf of the Connecticut State Medical Society we ask that you will use your earnest endeavors in opposition to the bill H. R. 14070, "A bill to provide a child welfare extension service, and for other purposes."

This society is opposed to this type of Federal legislation because it has seen the failures of such efforts originating and sponsored outside the field of application. It takes time and effort to correct the actual harm done in the community. We believe this is so because the principle is wrong.

The bill has so many bad features that it should not be enacted even if the principle was right. Some of these are referred to in an editorial in the Journal of the American Medical Association, dated December 1, 1928, a copy of which will be furnished you if you desire.

Your attention is called to the fact that Governor Lake issued enabling authority to the State department of health to avail itself of the provisions of the original Sheppard-Towner Act, but that the legislature subsequently acted to reject all benefits under, or any participation in, the Sheppard-Towner law. Therefore, Connecticut has never accepted the financial assistance under the law, but has handled the problems concerned within itself, as is believed proper.

As this protest is from a body of over 1,300 of your constituents, and the action of this committee has to be reported to the society, may we ask the courtesy of a reply.

Mr. President, I have never on this floor heard any adequate reply whatever to the objections made by the most distinguished physicians of the country, through the officials of their societies. I shall not take the time to read from any other medical society. I have referred to the New Jersey and Connecticut societies and the great American Medical Association. I am sure no one on this floor will accuse those societies of gross materialism. No one will accuse them of attempting to kill this legislation in order that they may fatten their pocketbooks. We know that the doctors who belong to these societies give more than half their time to the poor without price and without considering their time. The most distinguished surgeons belonging to those societies go to the hospitals in their cities and in their communities, day after day, week after week, and year after year, operating to save the lives of poor people without charging one cent for their services.

If there is any body of men in the community, if there is any body of men in the United States, which is interested in health and welfare, it is the body of these physicians and surgeons, who give of their time freely to the poor people of their cities and towns. It is they who are appealing to us not to pass this legislation. It is they who point out to us the fact that infant mortality was decreasing at a more rapid rate before this legislation was enacted than after it was enacted. It is they who point to the record in several States that after the legislation was enacted the infant and maternity mortality rate went up instead of down; that in some

States it went up and in some States it went down; in other words, it had no really good effect.

In view of the appeal of these physicians, who ought to be trusted to know more about the welfare and health and mortality of the people in the States from which they come than the rest of us, in the name of those who are interested in maintaining the dignity of the sovereign States and the rights of the States to decide their own matters and look out for the welfare of their own people, I ask that the bill may be sent back to the committee which reported it with instructions to hold full hearings in the matter before they report it back to the Senate.

Mr. JONES. Mr. President, of course I could not keep track of all the figures which the Senator from Connecticut [Mr. BINGHAM] presented. However, I was struck with reference to the figures he gave relating to Kentucky, which apparently show that the infant mortality and maternity mortality had increased. I have here a statement which is official. I do not know from what source his figures came, but I have here a statement from the Government child bureau, and here is what is said about Kentucky.

This is a comparison of the infant mortality prior to the operation of the maternity and infancy act and during its operation in specified States, showing the State, urban and rural, rates per thousand live births. In Kentucky, 1917 to 1921, the State rate was 7.5, while for 1922 to 1928, while the law was in operation, the rate was 6.8, a decided reduction. The urban rate of mortality from 1917 to 1921 was 90.9, while from 1922 to 1928 it was 80, or a reduction of nearly 10 per cent. Then in the rural population from 1917 to 1921 the rate was 73 per thousand, while from 1922 to 1928 it was 66.

Also from the same authority is a comparison of maternal mortality prior to the operation of the maternity and infancy act and during its operation. From 1917 to 1921 the rate was 62.6 for the State, while from 1922 to 1928 under the operation of the act it was 58.5, or a decided reduction. Urban, 1917 to 1921, the mortality rate was 94.4, while from 1922 to 1928 it was 80, or a decided reduction. In the rural population from 1917 to 1921 the rate was 57.6, while from 1922 to 1928 it was 53.9. Those are the official figures.

THE PRESIDENT'S STATEMENT ON RELIEF LEGISLATION

Mr. HARRISON. Mr. President, I dislike to occupy the time of the Senate at this late hour in the afternoon, but if anything is to be said by me touching the subject matter to which I shall address myself it is better to be said this afternoon than to-morrow.

We have been getting along beautifully during this session of Congress. All of us appreciate the gravity of the situation throughout the country and that we have only a very short time during this session in which to press for the passage of certain legislation that is necessary in the orderly administration of the Government. There has not been the slightest quiver of politics in this Chamber or in any of the committee rooms so far as I have heard, and no discussion precipitated of a partisan character. Why the President to-day should precipitate a partisan discussion and accuse men in this Chamber as well as in the other body of improper motives is beyond my understanding. What is it that has so aroused the President? Why is it that he has, at least as appears to some of us, lost his usual equilibrium and has said to the newspaper men that we are "playing politics at the expense of human misery" down here?

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. HARRISON. I hope the Senator will wait until I can proceed a little farther and then I will yield to him. I have said nothing yet at which the Senator ought to take umbrage. He may later on.

Mr. REED. No; I am not taking umbrage.

Mr. HARRISON. I hope some one over on his side of the Chamber will take umbrage, and will attempt to give some excuse for the President's course, because I can not understand that even the Senator from Pennsylvania, who is always fair, would indorse the statement which the President made to-day, would he?

Mr. REED. The Senator from Mississippi——

Mr. HARRISON. Would the Senator indorse the statement the President made to-day?

Mr. REED. I want to ask the Senator from Mississippi a question. As I read the statement to which he refers, there is nothing partisan in it, and I do not interpret it as an attack upon the Senator's party any more than as an attack upon my own party. I do not think there was anything partisan in it, however much it may have reflected upon the Senate as a whole.

Mr. HARRISON. Of course, it reflects more upon certain Senators on that side of the aisle than upon Senators on this side of the aisle. Some Senators on the other side of the Chamber have become so accustomed to having rebukes administered to them by members of the group of the Republican Party to which the Senator from Pennsylvania belongs, and to having names applied to them, such as "pseudo-Republicans" and "sons of the wild jackass" and various other expressions of that kind, that they are used to them.

The President says:

> They are playing politics at the expense of human misery.

"Playing politics at the expense of human misery"! No one ever charged the President of the United States when he was going through the South and the Mississippi Valley at the solicitation of the then President of the United States, Mr. Coolidge, that he was "playing politics at the expense of human misery" at that time. I did not so believe; and yet afterwards we read in the Republican campaign textbooks and speeches by Republican orators of the great accomplishments of Mr. Hoover along that line, and statements to the effect that his activities at that time qualified him, in great part, to be President of the United States. "Playing politics at the expense of human misery." I did not believe when he was selected to go abroad and distribute $100,000,000 worth of food to the Belgian people that Mr. Hoover was "playing politics at the expense of human misery"; yet there were some gentlemen in this country, some of them in the Republican Party, speaking from the hustings in order to win votes for the Republican ticket and to obtain the nomination of Mr. Hoover for the Presidency, who said that that qualified him greatly to become the President of the United States. "Playing politics at the expense of human misery."

There is no man in the history of this country who has won more political favor upon the miseries of people than has the present President of the United States. Is it an obsession with the President? Is that what was in his mind when he volunteered the statement to the newspapers to-day, uncalled for, unwarranted, and without justification, that those gentlemen in the House and in the Senate who have seen fit not to accept his views with reference to all legislation, and who have sought to give to the soldiers of the country some pittance, some measure of relief to the drought-stricken sections so that they might get food during the cold winter months, "are playing politics at the expense of human misery"? Am I to be so charged because, for instance, last week in the discharge of my duty I introduced a bill designed to meet a situation which calls for action? As one of the Senators from my State, I had visited in my section and found a certain condition to exist, and from investigation I had come to believe that a similar condition existed in other sections, that the Federal land banks were pressing down upon the farmers, who, because of floods or because of drought conditions or because of economic depression in the country, whether arising from world conditions or domestic policies, had been wiped out; their prices had declined, and they were unable not only to pay the installments upon their loans, not only not able to pay the interest upon the borrowings which they had made, but they were unable to obtain enough money to buy food for their livestock or food or clothing for their children. Inspired by the board up here, may I say the Federal land banks were foreclosing throughout this country and taking homes and lands away from the people who are honest, who are industrious, who are seeking by every appeal that is

possible to be given an extension of time to enable them to carry on a little while longer in the hope that prices may increase, that their condition may be bettered, and that they may meet their obligations to their Government. The voice of the Government speaks, however, and says, "No; we are going to clamp down; we are going to take your land; we are going to put additional costs upon you through foreclosure proceedings"; and to-day the Government is vested with title to millions upon millions of acres of farm lands throughout the country. Knowing that condition, I introduced a bill to give to those Federal land banks the power to grant extensions to those people, and, if necessary, in order to meet the interest upon the bonds that had been issued, that the Federal Treasury might make certain advances. It might go into several million dollars, yes; but what of it? We have an exceptional condition facing us; there is distress in the country; and it does seem to me that the great, strong Nation of which we are a part, in this emergency, could well make advances out of the Treasury to keep those people in their homes and give them an opportunity to meet their obligations and the interest on the bonds. In the long run it would be saving to the Government.

Because I did that, am I to be placed by President Hoover in the category of those who are "playing politics at the expense of human misery?" I believe now that my bill is a constructive piece of legislation; I believe that it ought to appeal to the heart of America; and, of all legislation that I have ever proposed, I have never received so many letters from those who are interested in it commending it and asking me to press it as I have in behalf of that bill. Yet because, if enacted, it would take some money out of the Treasury merely for the time being, not for all time, I, in the definition of Mr. Hoover, am "playing politics at the expense of human misery."

The President says in this remarkable statement that the leaders of the two parties have agreed that no more appropriations shall be asked for than are embraced in his budget or in his recommendations to Congress. That is the substance of what he has stated. If what he has stated shall be followed through, he states that no increase in taxes will be needed and that the leaders have agreed upon such a policy. What are the facts, Mr. President? President Hoover is trying to put Democratic leadership in a hole and he is doing it deliberately. He is trying to compel Democratic leadership to assume responsibilities that it should not assume; that the President should have the courage to assume.

Now, let me refer to the joint resolution which was passed to-day for the relief of the drought-stricken areas of the country. President Hoover sent his agents, various economists, men in whom he had confidence, to make a survey all over the country and to determine, if possible, what it would cost to meet the existing emergency. Those men went to my State; they went throughout the West; they went to other sections; and submitted their report. The report showed that it would cost $60,000,000. If I misstate the facts, I want the distinguished chairman of the Committee on Agriculture and Forestry [Mr. McNARY], the distinguished assistant leader of the Republican Party in the Senate, who now sits before me, to contradict my statement. The report showed, as I have said, that $60,000,000 was necessary. Yet what did President Hoover and his Secretary of Agriculture ask that Congress appropriate? Mr. Hyde, the Secretary of Agriculture, who probably does not know the difference between a trace chain and a turnip, gave out a statement this morning in connection with which he got his picture on the front page of the great Washington Post. He got in the favor of the official organ of the Republican Party in Washington by giving out that statement; and what was it?

> On the eve of consideration by both branches of Congress of relief measures Secretary Hyde last night issued a statement warning that the loaning of money for human food came perilously near a dole and was a move in the wrong direction.

He advocated an appropriation of $25,000,000 for drought relief; more than that, he said, would be a dole.

Mr. Hoover says the leaders of the two parties have agreed with him. Does the distinguished Senator from Oregon, whom his party has honored as one of the leaders of his party, assistant leader of the distinguished Senator from Indiana [Mr. WATSON], agree with the Secretary of Agriculture and with the President? On the contrary, he is the author of and championed the joint resolution which we have passed appropriating $60,000,000 for drought relief. He knows that amount is necessary. Is he to be classed by the definition of his President as "having played politics at the expense of human misery"? This Senate has just passed the $60,000,000 authorization unanimously. It differs from the President. Is this body as a whole playing politics at the expense of human misery?

The distinguished leader on this side of the aisle [Mr. ROBINSON of Arkansas] knows as much, perhaps more, about existing conditions than any man in this Chamber or elsewhere, for no State was hit harder by the drought than was Arkansas. Mr. Hoover says the leaders have agreed upon a program. Did the Senator from Arkansas [Mr. ROBINSON] agree to it? He did not, because he introduced a bill, quite similar to the measure introduced by the distinguished assistant Republican leader [Mr. McNARY], seeking an appropriation of $60,000,000 for relief work. He appeared before the committee and insisted upon a $60,000,000 appropriation; and yet the President of the United States, with whom the distinguished leader on this side has been willing to try to cooperate, throws him down and castigates him, as he castigated the Senator from Oregon, and says that he is "playing politics at the expense of human misery." The distinguished Senator from Arkansas has tried to cooperate, but this soon in the session the President breaks the bond of cooperation and accuses him of "playing politics at the expense of human misery."

What excuse, pray tell me, did the President of the United States have for giving utterance to this kind of expression which was sent over the country to-day? Was it to prejudice the country against the Senate of the United States and the Congress? Was it to belittle us? Ah, Mr. President, "playing politics at the expense of human misery!" If there is one man who ought to be careful in his expressions about other people, it is the distinguished President of the United States, for he ought to know what it is to be sometimes referred to in a harsh way, no doubt in his own opinion wrongly, because, as is familiar to Senators and to the country, it was not so long ago that the present distinguished President, then occupying another position, applied for $100,000,000, as I recall, to be expended abroad, on which occasion the Senator from Idaho [Mr. BORAH], one of the great leaders in the Senate, said that he was unwilling to trust such a sum in the hands of the gentleman who is now the President of the United States.

Nor was it so long ago—just about the time the distinguished Senator from Idaho was giving expression to that thought, in which many people in the country believed—that the present chairman of the Appropriations Committee of the House [Mr. WOOD] had some remarks to make also about the spending ability of the present distinguished President of the United States. Mr. WOOD is now the chairman of the Republican Congressional Campaign Committee. Of course, when this reference to the President is again called to the attention of the President, how long Mr. WOOD will be able to hold his head and retain that position I will not venture to say. In 1919—and I read from the RECORD—Mr. WOOD said:

> They are organized all through that country—

Referring to the Red Cross. But Mr. Hoover did not want the money spent through the Red Cross; he wanted it spent through his organization.

Mr. WOOD says—

> They are organized all through that country which they say is affected and where they say the starvation exists. We have had

no report for our edification gathered by the Red Cross. There has come no word from this great agency that they are not able to cope with the emergency. There has come no cry for relief from them.

Where does it come from? It comes, if you please, from a new organization that has been formed within a month. And who is at the head of that organization? Mr. Hoover. It is Mr. Hoover that is asking for this appropriation and not the President of the United States.

* * * * * * *

Now, then, gentlemen may differ with me with reference to Mr. Hoover. I think he is the most expensive luxury that was ever fastened upon this country. I think he will continue to be the most expensive luxury with which we have to do if we still continue to give him unlimited power.

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. Yes; I yield.

Mr. BARKLEY. It ought to be stated in that connection that at that time Mr. Wood thought Mr. Hoover was a Democrat.

Mr. HARRISON. Yes. That is not the only reason, though, why he gave expression to that thought.

The Secretary of Agriculture, Mr. Hyde, who wants only $25,000,000 spent for relief—and it is a pity that he entertains such views, because he is the one to be clothed with the power of expending the money included in the authorization to-day—took occasion to make a speech in the last campaign. He is a great talker; and in reading that speech I find this expression from one of your own great Republican leaders. You may not agree with me about his being a great Republican leader. He says, speaking of President Hoover:

I have seen him, when venom and malice were falsest, bending himself, without outcry, loyally to his task. At such times the lines of Kipling's "If" have involuntarily come to mind.

And then he quotes Kipling:

If you can keep your head when all about you
Are losing theirs and blaming it on you,
If you can trust yourself when all men doubt you
But make allowance for their doubting, too.

That is a strange impeachment of the President by his own Secretary of Agriculture, "that all about you are blaming it on you."

That he must trust himself, because all others doubt him. Strange, yet appropriate lines for the Secretary to employ. "Playing politics upon human misery!"

Mr. President, I can not believe that the President of the United States does not realize the terrible situation that exists in the country. It may be that he is still suffering from the thoughts and ideas that he entertained when he was speaking in New York City in the campaign of 1928, because this is the character of expressions he employed at that time:

The slogan of progress—

Says Mr. Hoover—

is changing from the full dinner pail to the full garage. Our people have more to eat, better things to wear, and better homes. We have even gained in elbow room, for the increase of residential floor space is over 25 per cent with less than 10 per cent increase in our number of people. Wages have increased, the cost of living has decreased. The job of every man and woman has been made more secure. We have in this short period decreased the fear of poverty, the fear of unemployment, the fear of old age; and these are fears that are the greatest calamities of humankind.

I am wondering if to-day, when he said that those who were trying to obtain some appropriations to meet present conditions were merely "playing politics upon human misery," he entertains the same views respecting the economic conditions in this country that he did in 1928.

He said, further:

Our hours of labor are lessened.

Well, he visioned that right.

Our leisure has increased.

He was certainly right in that prophecy.

We pour into outdoor recreation in every direction.

That is true. He was right. They are parts of that speech that were most prophetic. He hit the nail on the head. Every bench in every park throughout the country is now filled with the idle and unemployed. Their only vocation now is to seek recreation in the parks and outdoors.

The visitors at our national parks have trebled, and we have so increased the number of sportsmen fishing in our streams and lakes that the longer time between bites is becoming a political issue.

That is the idea of President Hoover's political mind.

Mr. President, it is unfortunate that the President spoke to-day. He needs a political chaperone. We are not playing politics. We are trying to meet the present-day problems. If Mr. Hoover makes suggestions that are wise and constructive and will aid in this situation, we will accept them without murmur or hesitation. He ought to be big enough, and the Republican Party ought to be sufficiently patriotic, that if suggestions come from this side that will relieve the distress in this country and help the country back to economic healthfulness, they will cooperate.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. HARRISON. I yield to the Senator.

Mr. WALSH of Massachusetts. In my judgment, one of the most serious things in the statement made by the President is what the Senator has referred to as an attempt upon the part of the President to misrepresent Democratic leadership. That is a serious allegation. I should like to inquire of the Senator if he knows of a single Democratic leader in this country who is in sympathy with the policies and sentiments expressed in the statement of the President of the United States.

Mr. HARRISON. I will go further and say that I do not believe there is a Republican Senator on the other side of the aisle who is in accord with that statement; and I will pause for interruption if one of them will stand up and say he will indorse it.

Mr. WALSH of Massachusetts. I think we ought to exclude Secretary Mellon. I think he probably is in accord with the President's view.

Now, I should like to ask the Senator if he does not think the President, in fairness to the country, ought to name the Democratic leaders who are cooperating with him in a policy of refusing to increase taxes to extend relief to the unemployed and distressed in this country?

Mr. HARRISON. I do not think the President can name anyone, because there are none. He talks about the leaders of both parties cooperating to prevent "any such event," and he says:

No matter how devised, an increase in taxes in the end falls upon the workers and farmers.

He expresses much concern for the farmers and the workers; and yet the President of the United States only last year, when the question was put up to him whether or not taxes should be increased upon every worker and upon every farmer in this land, sided with the increased taxes and signed the most indefensible and nefarious bill ever written in the Congress of the United States, and one that it is estimated has added a billion dollars annually in increased costs to the American consumer. He did not lift his voice when those taxes were increased in this country.

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. Yes.

Mr. BARKLEY. The test of whether any increase of taxes would be paid by the farmers and laborers might be what happened to the farmers and laborers as a result of the $160,000,000 reduction made in last year's taxes. Can the Senator state whether any farmer or any laboring man participated in that $160,000,000 reduction, which was rushed through here as an emergency measure following the crash in the stock market?

Mr. HARRISON. That reduction was given in the main in the higher brackets and also to the corporations of the country; and, of course, the men who had no income or corporate taxes to pay received no relief from it.

Mr. BARKLEY. That included all the farmers and all the laborers.

Mr. HARRISON. Yes.

If I understand the position of the Democratic Party, we are more concerned now with meeting the conditions that confront this Nation. We want to bring it back to a healthy economic condition. We want to restore prosperity, if possible. We want to take care of the distress and suffering in the country as far as possible. We want to see people employed in every section of the land. We propose to vote for such appropriations, large though they may be in the estimate of the President, as are required to meet this situation; and if increased taxes are necessary to do that, then let us have the courage and the statesmanship to meet the issue at that time.

I do not believe it will be necessary to increase taxes. I believe that we can employ some other method. If we had followed the thought that was suggested by the Democratic minority in 1922 in writing the Fordney tariff law, of fixing the sinking fund at a certain amount and estimating over a period of years as to when we wanted to pay off the war debt, and had stopped this policy of piling up too much taxes upon the people and creating surpluses and applying them to the payment of our debt, we could then meet this situation without any increased taxes. What is the harm of compelling future generations to help pay off this debt and applying some of these payments to meet present conditions? Let us give our attention first, however, to meeting the condition and taking care of the emergency. Let the arm of the Government be extended to give employment, if possible, to the millions of men and women who are out of employment, and to relieve the distress that is rampant. If only a crumb, let us give them that.

If we will make the appropriations in this Congress so large as to take care of every authority of law for the construction of public buildings, sailors and soldiers' homes, highway construction, river and harbor improvements, and every other piece of public work that necessity demands, and not do it over a period of three or four years, but put our shoulders to the wheel and say that it must be done now in order to take care of the unemployment situation, and appropriate the amount needed to carry it through, we will do more, in my opinion, to help solve the unemployment problem than anything else that we can do.

For one, I do not propose to try to cooperate with the President of the United States if, when the country is in distress, and the facts show that $60,000,000 should be appropriated to relieve the drought-stricken areas, he proposes to appropriate just $25,000,000. If that is unpatriotic, if that is "playing politics upon the miseries of the people," then I will plead guilty to it.

That is all I desire to say.

Mr. LA FOLLETTE. Mr. President, I submit a resolution and ask for its immediate consideration.

The resolution (S. Res. 363) was read as follows:

Whereas millions of American citizens are in destitute circumstances due to unemployment and face privation and suffering; and

Whereas the President of the United States, in a public statement, has indicated that consideration for the interests of income-tax payers necessitates restriction on governmental relief measures necessary to aid the jobless and their dependents: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that the relief of human suffering in this emergency should take precedence over the consideration of the interests of wealthy income-tax payers.

The VICE PRESIDENT. The Senator from Wisconsin asks unanimous consent for immediate consideration. Is there objection?

Mr. REED. I ask that it may go over.

The VICE PRESIDENT. The resolution will go over under the rule.

Mr. COPELAND. Mr. President, I have been much distressed about the statement made by the President of the United States. I fear that the President is more sensitive to the charge of playing politics than he is to the human misery which exists in our country to-day. I can not refrain, even at this late hour, from saying just one more word.

I want Senators to know how serious those of us who come from the Eastern States are about the situation. It is terrible beyond description, and I fear that the President does not recognize what the problem is. It must be dealt with.

I referred yesterday to the statement of Dr. Nicholas Murray Butler, and I want to give his exact words. He said:

When the world presents its population with a problem of difficulty in making a living, then it is time for the existing social order to beware.

That is what we are facing. No man on this side who is finding fault because of the failure of the administration to act is playing politics with misery. Our aim is to have some definite program of relief instituted and put into operation at once, and it is in that spirit that we take the stand we do, and regardless of what may come from the White House, so far as I am concerned—and believe I reflect the attitude of other men on this side—I intend in season and out of season to do my best to impress upon the country that we are facing a serious economic social problem, and it must be solved if our order is to be preserved.

Mr. McNARY obtained the floor.

Mr. McKELLAR. Mr. President, if the Senator from Oregon will yield to me, I desire to ask the Senator whether it is his purpose to have the Senate take a recess or to adjourn at this time. I want to address the Senate, but if the Senator desires to have a recess taken——

Mr. McNARY. It is my desire to have a short executive session, and then ask for a recess until to-morrow.

Mr. McKELLAR. I am perfectly willing that that shall be done, but I want to give notice that I shall make an address to-morrow morning as soon as I can get the floor.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. McNARY. I yield to the Senator from Pennsylvania.

Mr. REED. I shall take but a moment. I think in fairness to the President of the United States it ought to be noted that the interview which he appears to have given out contains no partisan attack whatsoever. It reflects upon the Senators on this side of the aisle as much as upon Senators on the other side of the aisle.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED. For all I know, it reflects upon me as much as it reflects upon the eloquent Senator from Mississippi [Mr. HARRISON], who has been so busy denouncing it as a partisan attack. I have read it carefully, and I can find nothing whatsoever in it which can be construed as a partisan attack.

Mr. McKELLAR. Mr. President, if the Senator will yield, assuming that that be true, does not the Senator feel that when the President of the United States says of the Senate, of Members of Congress indiscriminately, that they are engaged in making raids upon the Public Treasury, it is a most serious reflection on every Member of this body?

Mr. REED. That may be, Mr. President, but it is as much an attack upon us as it is upon the other side.

Mr. McKELLAR. I agree with the Senator; I think that is true, if the Senator will yield, but I just want to say that it seems to me the President of the United States owes this body, and the body at the other end of the Capitol, an apology for giving out such a crude and improper statement as was given out to the newspapers to-day.

Mr. REED. All very well, Mr. President, but the point I am trying to make, first, is that there is nothing partisan in it. Whether it is wise for one branch of the Government to indulge in criticism in that tone of other branches is a question on which men may differ. Personally, I do not think that I would make such criticism, nor should I criticize

the President or the judiciary or our coordinate body in the Congress, although I must confess that efforts were made in the last session to criticize the House for some action which it was within its rights in taking.

I think we must say, however, in fairness to the President, that there is nothing in the statement which implies an intention on his part to impinge upon the use of our judgment in the handling of the legislation before us, and I do not construe it in the least as reflecting upon the action of the Senator from Oregon [Mr. McNARY] in offering and in pressing to a conclusion the drought-relief measure which he so successfully put through the Senate to-day. If the President's statement is to be interpreted as a reflection upon us in passing that joint resolution as we have done, then I disagree with him as strongly as anyone can.

Finally, I think we owe it to ourselves and to the President and to the country to recognize the fact that his interest in relief work of this kind is as great as that of any of us, no matter what we may profess, because he stands out among all men in the world to-day as the greatest living exponent of relief of distress when it comes upon multitudes. We owe that in fairness to President Hoover. At the same time, he is charged with the responsibility, which is heavy, of seeing that the appropriations of the country are kept within our means, and I honor him for trying to do it.

The tone of his interview is something else again, but for the responsibility which weighs upon him, and which is evident in the issuance of that statement, no one can criticize him.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED. I have finished.

Mr. McKELLAR. I want to ask the Senator if he does not think that if the President has the same patriotic determination to help in this relief situation that all the rest of us have, he should have produced a plan? Why does he come in and ask for a lump-sum of money—$110,000,000 or $120,000,000, I have forgotten which, to be turned over to a committee of his Cabinet, to be let out as they see fit, without plan? Nobody knows what will be done with it. If the President is so concerned about unemployment in this country, why in the name of Heaven does he not use his brain, or the brains of those under him, to produce some plan?

Mr. REED. The President has not suggested anything of the sort mentioned. He has asked that he be given an appropriation to enable him to go on and complete any project which Congress has authorized. He does not ask for money to complete anything that his committee may wish, but only authorized projects. He is sane enough to know that what Americans want is work, and not hand-outs, and he is trying to provide that work.

Just one word more. While we are being so touchy at his criticism of us, I think in fairness we ought to recognize the fact that nothing in this statement, or in anything else I have seen quoted from the President, begins to approach in severity or intemperance the attacks some of us have made upon him.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Washington?

Mr. McNARY. I yield.

Mr. JONES. I just want to express the hope that before the Senate closes its business tomorrow we will have a vote on the bill that is now the unfinished business.

Mr. McKELLAR. Mr. President, will the Senator from Oregon yield to me just for a few minutes? I desire to have something to say in reply to the Senator from Pennsylvania.

Mr. McNARY. I must not yield.

Mr. McKELLAR. Mr. President, the Senator has yielded to the Senator from Pennsylvania to make a defense of the President. Will not the Senator do the same fair thing by me and let me make a statement?

Mr. McNARY. I thought the Senator from Tennessee had much to say in reply to the Senator from Pennsylvania. I can not conceive of anything that has been omitted.

Mr. McKELLAR. I have a good many things which have been omitted upon which I might inform the Senator if he would grant the time. It seems to me that in an important matter like this, when the President of the United States makes a deliberate attack upon the lawmaking body——

Mr. McNARY. Mr. President——

Mr. McKELLAR. Saying that they are engaged in raiding the United States Treasury, those of us who have been maligned and abused in this way should have a right to reply.

The VICE PRESIDENT. The Senator from Oregon declines to yield.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF NOMINATIONS

Mr. FESS (for Mr. COUZENS) from the Committee on Interstate Commerce, reported favorably the nomination of Frank McManamy, of the District of Columbia, for reappointment as a member of the Interstate Commerce Commission for the term expiring December 31, 1937.

He also (for Mr. COUZENS), from the same committee, reported favorably the nomination of Samuel E. Winslow, of Massachusetts, for reappointment as a member of the Board of Mediation for the term expiring five years after January 1, 1931.

The VICE PRESIDENT. If there are no further reports of committees, nominations are in order.

PHILIPPINE ISLANDS

The Chief Clerk read the nomination of George Charles Butte, of Texas, to be vice governor of the Philippine Islands.

The VICE PRESIDENT. Without objection, the nomination is confirmed, and the President will be notified.

THE JUDICIARY

The Chief Clerk read the nomination of Thomas J. Kennamer to be United States marshal, northern district of Alabama.

The VICE PRESIDENT. The nomination is confirmed, and the President will be notified.

The Chief Clerk read the nomination of James C. McGregor to be United States marshal, western district of Pennsylvania.

The VICE PRESIDENT. The nomination is confirmed, and the President will be notified.

POSTMASTERS

The Chief Clerk read sundry nominations of postmasters.

Mr. PHIPPS. I ask that the nominations be confirmed en bloc and the President notified.

The VICE PRESIDENT. Without objection, the nominations are confirmed, and the President will be notified.

Mr. McNARY. The junior Senator from Indiana [Mr. ROBINSON] and the distinguished leader on this side, the senior Senator from Indiana [Mr. WATSON], wanted to have one nomination of a postmaster withheld.

The VICE PRESIDENT. The nomination in which those Senators are interested is not on the calendar.

Mr. McKELLAR obtained the floor.

Mr. REED. Will not the Senator allow us to complete the executive business?

Mr. McKELLAR. No; I have been recognized and I want to occupy a moment at this time. I am not going to make a speech, but I want to give notice that to-morrow, as soon as I can obtain the floor after the meeting of the Senate, I want to reply to the statements which have been made by the Senator from Pennsylvania, and to reply to the statement which has been made by the President of the United States reflecting, as it does, upon every Member of this body.

IN THE ARMY

The Chief Clerk read sundry nominations for appointments and promotions in the Army.

Mr. REED. I ask that the Army nominations be confirmed en bloc and the President notified.

The VICE PRESIDENT. Without objection, the nominations are confirmed, and the President will be notified.

RECESS

Mr. McNARY. As in legislative session, I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock p. m.) took a recess until to-morrow, Wednesday, December 10, 1930, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 9, 1930

VICE GOVERNOR OF THE PHILIPPINE ISLANDS

George Charles Butte to be Vice Governor of the Philippine Islands.

UNITED STATES MARSHALS

Thomas J. Kennamer to be United States marshal, northern district of Alabama.

James C. McGregor to be United States marshal, western district of Pennsylvania.

APPOINTMENTS IN THE ARMY

Douglas MacArthur to be general, while holding office as Chief of Staff of the Army.

George Van Horn Moseley to be major general.

Manus McCloskey to be brigadier general, Field Artillery.

Stanley Hamer Ford to be brigadier general, Infantry.

Stanley Dunbar Embick to be brigadier general, Coast Artillery Corps.

Herbert Jay Brees to be brigadier general, Cavalry.

James Kelly Parsons to be brigadier general, Infantry.

Col. Edwin Dyson Bricker to be assistant to the Chief of Ordnance.

Maj. Herman Beukema, Field Artillery, to be professor of economics, government, and history at the United States Military Academy.

Gustave Everett Ledfors to be first lieutenant, Medical Corps.

Harry Boaz Ditmore to be first lieutenant, Medical Corps.

Armin Walter Leuschner to be first lieutenant, Medical Corps.

Ralph Vernon Plew to be first lieutenant, Medical Corps.

Wayne Glassburn Brandstadt to be first lieutenant, Medical Corps.

Edward James Kendricks to be first lieutenant, Medical Corps.

Oliver Harold Waltrip to be first lieutenant, Medical Corps.

James Simon Cathroe to be first lieutenant, Dental Corps.

Ingolf Bernardt Hauge to be first lieutenant, Dental Corps.

John LeRoy Carter to be first lieutenant, Dental Corps.

Wesley Watson Bertz to be second lieutenant, Veterinary Corps.

Edgerton Lynn Watson to be second lieutenant, Veterinary Corps.

Austin Taylor Getz to be second lieutenant, Veterinary Corps.

Cecil Brooks to be second lieutenant, Medical Administrative Corps.

Homer Clarence McCullough to be second lieutenant, Medical Administrative Corps.

Charles Boone Hanes to be second lieutenant, Medical Administrative Corps.

Joseph Carmack to be second lieutenant, Medical Administrative Corps.

Frederick William Hagan to be chaplain with the rank of first lieutenant.

REAPPOINTMENT IN THE ARMY

Merritte Weber Ireland to be Surgeon General.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS

General officer

John Francis O'Ryan to be major general, reserve.

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS

General officers

Diller Slyder Myers to be brigadier general, reserve.

John Cecil Persons to be brigadier general, reserve.

Oscar Edwin Roberts to be brigadier general, reserve.

TRANSFERS IN THE ARMY

First Lieut. Escalus Emmert Elliott to Coast Artillery Corps.

Second Lieut. Albert Eugene Dennis to Coast Artillery Corps.

Lieut. Col. Thomas Norton Gimperling to Infantry.

First Lieut. Leslie Earl Simon to Ordnance Department.

TO AIR CORPS

Second Lieut. James Keller DeArmond.
Second Lieut. Laurence Sherman Kuter.
Second Lieut. George McCoy, jr.
Second Lieut. David Peter Laubach.
Second Lieut. James Elbert Briggs.
Second Lieut. Robert Loyal Easton.
Second Lieut. Richard Perry O'Keefe.
Second Lieut. Fred Obediah Tally.
Second Lieut. Delma Taft Spivey.
Second Lieut. William Columbus Sams, jr.
Second Lieut. Don Zabriskie Zimmerman.
Second Lieut. Frederick Rodgers Dent, jr.
Second Lieut. Harold Huntley Bassett.
Second Lieut. Howard Moore.
Second Lieut. James Lee Majors.
Second Lieut. Roger James Browne.
Second Lieut. Joseph Jennings Ladd.
Second Lieut. Thomas Ludwell Bryan, jr.
Second Lieut. John Knox Poole.
Second Lieut. John Coleman Horton.
Second Lieut. Marshall Stanley Roth.
Second Lieut. Rudolph Fink.
Second Lieut. Robert Maurice Kraft.
Second Lieut. Roy Garfield Cuno.
Second Lieut. Frederic Harrison Smith, jr.
Second Lieut. Donald John Keirn.
Second Lieut. Donald Wilbur Armagost.
Second Lieut. Dwight Bahney Schannep.
Second Lieut. Robert Moffat Losey.
Second Lieut. John Jackson O'Hara, jr.
Second Lieut. Emery Scott Wetzel.
Second Lieut. William Ernest Karnes.
Second Lieut. William Gilmer Bowyer.
Second Lieut. Edward Auld Dodson.
Second Lieut. John William Stribling, jr.
Second Lieut. Thomas Benton McDonald.
Second Lieut. Melie John Coutlee.
Second Lieut. Daniel Campbell Doubleday.
Second Lieut. Jerald Worden McCoy.
Second Lieut. Pearl Harvey Robey.
Second Lieut. Charles Glendon Williamson.
Second Lieut. George Putnam Moody.
Second Lieut. Keene Watkins.
Second Lieut. John Nicholas Stone.
Second Lieut. Phineas Kimball Morrill, jr.
Second Lieut. Thomas Richard Lynch.
Second Lieut. Ezekiel Wimberly Napier.

PROMOTIONS IN THE ARMY

Raymond Westcott Briggs to be colonel, Field Artillery.

James Lawrence Long to be colonel, Coast Artillery Corps.

Ralph Molyneux Mitchell to be colonel, Coast Artillery Corps.

Frederick Louis Dengler to be colonel, Coast Artillery Corps.

Richard Howard Williams to be colonel, Coast Artillery Corps.

Lewis Stoddard Ryan to be colonel, Field Artillery.

Tilman Campbell to be colonel, Finance Department.

Thomas Lilley Sherburne to be colonel, Cavalry.

Francis Hicks Lincoln to be colonel, Coast Artillery Corps.

William Henry Wilson to be colonel, Coast Artillery Corps.

Augustus Bennett Warfield to be colonel, Quartermaster Corps.
Edward Dennis Powers to be colonel, Coast Artillery Corps.
Howard Lee Landers to be colonel, Field Artillery.
William Henry Burt to be colonel, Field Artillery.
Arthur Leonard Fuller to be colonel, Coast Artillery Corps.
John Sherman Chambers to be colonel, Quartermaster Corps.
Laurin Leonard Lawson to be colonel, Field Artillery.
Morris Ernest Locke to be colonel, Field Artillery.
James Regan to be colonel, Quartermaster Corps.
Gilbert McKee Allen to be colonel, Infantry.
John Randolph to be colonel, Infantry.
William Hume Clendenin to be colonel, Infantry.
John Royden Kelly to be colonel, Infantry.
Edward Raynsford Warner McCabe to be colonel, Field Artillery.
William Gustin Ball to be colonel, Quartermaster Corps.
Edgar Lee Field to be lieutenant colonel, Infantry.
Jere Baxter to be lieutenant colonel, Infantry.
Frank Kirby Chapin to be lieutenant colonel, Cavalry.
Lloyd Ralston Fredendall to be lieutenant colonel, Infantry.
Rowan Palmer Lemly to be lieutenant colonel, Infantry.
Frank Thorp, jr., to be lieutenant colonel, Field Artillery.
Leroy Pierce Collins to be lieutenant colonel, Field Artillery.
Ballard Lyerly to be lieutenant colonel, Field Artillery.
George Albert Wildrick to be lieutenant colonel, Coast Artillery Corps.
Allen Kimberly to be lieutenant colonel, Coast Artillery Corps.
Thomas Aquila Clark to be lieutenant colonel, Ordnance Department.
Phillip Woodfin Booker to be lieutenant colonel, Field Artillery.
James Alexander O'Connor to be lieutenant colonel, Corps of Engineers.
Lewis Hayes Watkins to be lieutenant colonel, Corps of Engineers.
Richard Park to be lieutenant colonel, Corps of Engineers.
Daniel Isom Sultan to be lieutenant colonel, Corps of Engineers.
John Boursiquat Rose to be lieutenant colonel, Ordnance Department.
Charles Tillman Harris, jr., to be lieutenant colonel, Ordnance Department.
Maxwell Murray to be lieutenant colonel, Field Artillery.
William Edgar Shedd, jr., to be lieutenant colonel, Coast Artillery Corps.
Royal Kemp Greene to be lieutenant colonel, Coast Artillery Corps.
Howard Kendall Loughry to be lieutenant colonel, Coast Artillery Corps.
Robert Price Glassburn to be lieutenant colonel, Coast Artillery Corps.
Harry Keneth Rutherford to be lieutenant colonel, Ordnance Department.
Paul Jones Horton to be lieutenant colonel, Coast Artillery Corps.
Fred Taylor Cruse to be lieutenant colonel, Field Artillery.
James Preston Marley to be lieutenant colonel, Field Artillery.
Robert Arthur to be lieutenant colonel, Coast Artillery Corps.
Lucian Dent Booth to be lieutenant colonel, Ordnance Department.
Waldo Charles Potter to be lieutenant colonel, Field Artillery.
Henry Henderson Pfeil to be lieutenant colonel, Adjutant General's Department.
Clyde Leslie Eastman to be lieutenant colonel, Signal Corps.
James Macdonald Lockett to be lieutenant colonel, Infantry.
Jesse Cyrus Drain to be lieutenant colonel, Infantry.
Alexander Wheeler Chilton to be lieutenant colonel, Infantry.
Charles Henry Rice to be lieutenant colonel, Infantry.
George Ralph Barker to be major, Infantry.
John Waldemar Thompson to be major, Infantry.
Philip Overstreet to be major, Infantry.
Archie Arrington Farmer to be major, Signal Corps.
Charles Sabin Ferrin to be major, Field Artillery.
Edward Lodge McKee, jr., to be major, Infantry.
Joseph Henry Dent to be major, Quartermaster Corps.
Hugh Williams to be major, Quartermaster Corps.
John Moultrie Ward to be major, Quartermaster Corps.
William Tecumseh Haldeman to be major, Cavalry.
James Michael Grey to be major, Quartermaster Corps.
Arnold Melville Reeve to be major, Quartermaster Corps.
William Charles Ocker to be major, Air Corps.
William Frederick Volandt to be major, Air Corps.
Alexander Newton Stark, jr., to be major, Infantry.
Roger Hilsman to be major, Infantry.
Holmes Ely Dager to be major, Infantry.
Harry Elmer Fischer to be major, Infantry.
Roger Williams, jr., to be major, Infantry.
Harry Brandley Hildebrand to be major, Infantry.
Louis Whorley Hasslock to be major, Field Artillery.
Henry Alfred Schmarz to be major, Field Artillery.
Frederick Stone Matthews to be major, Infantry.
William E. Kepner to be major, Air Corps.
William Ogden Johnson to be major, Cavalry.
Marcus Aurelius Smith Ming to be major, Field Artillery.
Walter Raymond Graham to be major, Infantry.
Albert Hovey Peyton to be major, Infantry.
James Patrick Murphy to be major, Infantry.
Jacob Edward Bechtold to be major, Infantry.
Neal Creighton Johnson to be major, Infantry.
Norman Pyle Groff to be major, Infantry.
Glenn Adelbert Ross to be major, Infantry.
Francis Augustus Woolfley to be major, Infantry.
Nelson Dingley, 3d, to be major, Coast Artillery Corps.
Richard Marshall Winfield to be major, Infantry.
Claudius Miller Easley to be major, Infantry.
Richard Weaver Hocker to be major, Field Artillery.
Joseph Ware Whitney to be major, Infantry.
Peter Paul Salgado to be major, Infantry.
Guy Griswold Cowen to be major, Infantry.
Myron Gilbert Browne to be major, Infantry.
Pier Luigi Focardi to be major, Corps of Engineers.
George Stainback Deaderick to be captain, Infantry.
Arthur Dana Elliot to be captain, Ordnance Department.
Virgil Hine to be captain, Air Corps.
John Paul Richter to be captain, Air Corps.
Rene Raimond Studler to be captain, Ordnance Department.
Howard Burdette Nurse to be captain, Quartermaster Corps.
Oscar Mitchell Massey to be captain, Cavalry.
John Montgomery Heath to be captain, Signal Corps.
Robert George Howie to be captain, Infantry.
Ralph Wiltamuth to be captain, Infantry.
Einar Nelson Schjerven to be captain, Cavalry.
John William Irwin to be captain, Infantry.
Robert LeRoy Nesbit to be captain, Infantry.
Joseph Kahler Evans to be captain, Infantry.
Lawrence Haley Caruthers to be captain, Field Artillery.
Frank LaRue to be captain, Infantry.
Thomas Henry Mills to be captain, Quartermaster Corps.
Louis Clifford Webster to be captain, Quartermaster Corps.
John Beveridge, jr., to be captain, Air Corps.
Julian Dayton to be captain, Infantry.
Elmer Hostetter to be captain, Quartermaster Corps.
Michael Everett McHugo to be captain, Air Corps.
William Mason Wright, jr., to be captain, Field Artillery.
Glen Dison Gorton to be captain, Quartermaster Corps.
Philip Whalley Allison to be captain, Field Artillery.
James Lionel Grisham to be captain, Air Corps.
Joseph Worthen Proctor to be captain, Ordnance Department.
Earl Seeley Hoag to be captain, Air Corps.
Vincent James Meloy to be captain, Air Corps.
Charles Egbert Branshaw to be captain, Air Corps.

Edward Whiting Raley to be captain, Air Corps.
Earle Hayden Tonkin to be captain, Air Corps.
James Troy Hutchison to be captain, Air Corps.
Ivan Leon Foster to be captain, Field Artillery.
Edwin Randolph Page to be captain, Air Corps.
Abraham Bernard Thumel to be captain, Quartermaster Corps.
Harvey Hodges Holland to be captain, Air Corps.
Russell Lowell Maughan to be captain, Air Corps.
Walter Miller to be captain, Air Corps.
John William Slattery to be captain, Ordnance Department.
Charles Emile Stafford to be captain, Quartermaster Corps.
Oliver Perry Gothlin, jr., to be captain, Air Corps.
Eugene Benjamin Bayley to be captain, Air Corps.
Dache McClain Reeves to be captain, Air Corps.
Leo Fred Post to be captain, Air Corps.
John Carroll Kennedy to be captain, Air Corps.
Oscar George Fegan to be captain, Quartermaster Corps.
William Albert Hayward to be captain, Air Corps.
Thomas Jefferson Davis to be captain, Infantry.
Edmund Pendleton Gaines to be captain, Air Corps.
Harvey William Prosser to be captain, Air Corps.
Clayton Lawrence Bissell to be captain, Air Corps.
Horace Simpson Kenyon, jr., to be captain, Air Corps.
Eugene Robert Cowles to be captain, Infantry.
Philip Henry Kron to be captain, Infantry.
John Francis Alcure to be captain, Quartermaster Corps.
Zane Irwin Adair to be captain, Infantry.
Robert Clyde Sanders to be captain, Infantry.
Joseph Henry Hussing to be captain, Infantry.
Wallace Marmaduke Allison to be captain, Quartermaster Corps.
Leland Charles Hurd to be captain, Air Corps.
Robert Victor Ignico to be captain, Air Corps.
Rutledge Maurice Lawson to be captain, Infantry.
Leland Ross Hewitt to be captain, Air Corps.
Clifford Cameron Nutt to be captain, Air Corps.
Harry George Rennagel to be captain, Infantry.
Everett Roscoe Stevens to be captain, Quartermaster Corps.
Harry Samuel Fuller to be captain, Quartermaster Corps.
Isaiah Davies to be captain, Air Corps.
Arthur William Vanaman to be captain, Air Corps.
Franklin Otis Carroll to be captain, Air Corps.
Frederick William Evans to be captain, Air Corps.
Oliver Edward Cound to be captain, Quartermaster Corps.
David Nathaniel Hauseman to be captain, Ordnance Department.
George Lincoln Townsend to be captain, Signal Corps.
Edwin Yancey Argo to be captain, Field Artillery.
Howard Hunt Couch to be first lieutenant, Air Corps.
Wilfred Joseph Paul to be first lieutenant, Air Corps.
Glenn L. Davasher to be first lieutenant, Air Corps.
Charles Stowe Stodter to be first lieutenant, Signal Corps.
Charles Henry Barth, jr., to be first lieutenant, Corps of Engineers.
Standish Weston to be first lieutenant, Corps of Engineers.
Raymond Burkholder Oxrieder to be first lieutenant, Corps of Engineers.
Gerald Edward Galloway to be first lieutenant, Corps of Engineers.
Harrod George Miller to be first lieutenant, Signal Corps.
Charles Hare Mason to be first lieutenant, Corps of Engineers.
Carl Rueben Dutton to be first lieutenant, Coast Artillery Corps.
George Kenyon Withers to be first lieutenant, Corps of Engineers.
Arleigh Todd Bell to be first lieutenant, Corps of Engineers.
Thomas Leonard Harrold to be first lieutenant, Cavalry.
Kenneth William Treacy to be first lieutenant, Field Artillery.
Vincent Joseph Esposito to be first lieutenant, Corps of Engineers.
Robert Lee Howze, jr., to be first lieutenant, Cavalry.
Leland Berrel Kuhre to be first lieutenant, Corps of Engineers.
Colby Maxwell Myers to be first lieutenant, Corps of Engineers.
Ralph Tibbs Garver to be first lieutenant, Cavalry.
William Ludlow Ritchie to be first lieutenant, Air Corps.
Amos Tappan Akerman to be first lieutenant, Corps of Engineers.
Olive Cass Torbett to be first lieutenant, Corps of Engineers.
Rogers Alan Gardner to be first lieutenant, Cavalry.
Albert Harvey Burton to be first lieutenant, Corps of Engineers.
Bruce Cooper Clarke to be first lieutenant, Corps of Engineers.
Carl William Meyer to be first lieutenant, Corps of Engineers.
John Henry Dulligan to be first lieutenant, Air Corps.
David Henry Tulley to be first lieutenant, Corps of Engineers.
Walter Grant Bryte, jr., to be first lieutenant, Air Corps.
Kyrl Leighton-Faxford de Gravelines to be first lieutenant, Coast Artillery Corps.
Warren Nourse Underwood to be first lieutenant, Corps of Engineers.
Miles Merrill Dawson to be first lieutenant, Corps of Engineers.
Charles Parsons Nicholas to be first lieutenant, Field Artillery.
Russell Edward Randall to be first lieutenant, Air Corps.
Carl Warren Holcomb to be first lieutenant, Coast Artillery Corps.
Armand Hopkins to be first lieutenant, Coast Artillery Corps.
Timothy Lawrence Mulligan to be first lieutenant, Corps of Engineers.
Finis Ewing Dunaway, jr., to be first lieutenant, Corps of Engineers.
Benjamin Cobb Fowlkes, jr., to be first lieutenant, Corps of Engineers.
John Wilson Huyssoon to be first lieutenant, Coast Artillery Corps.
Frank Gilbert Fraser to be first lieutenant, Cavalry.
Stanley James Horn to be first lieutenant, Corps of Engineers.
Frank Andrew Pettit to be first lieutenant, Corps of Engineers.
William O'Connor Heacock to be first lieutenant, Cavalry.
Walter William Hodge to be first lieutenant, Corps of Engineers.
William Henry Nutter to be first lieutenant, Cavalry.
Oscar Carl Maier to be first lieutenant, Signal Corps.
Ralph Augustus Lincoln to be first lieutenant, Corps of Engineers.
Gilbert Edward Linkswiler to be first lieutenant, Corps of Engineers.
Aubrey Strode Newman to be first lieutenant, Infantry.
Ernest Victor Holmes to be first lieutenant, Field Artillery.
William Frank Steer to be first lieutenant, Coast Artillery Corps.
Wiley Thomas Moore to be first lieutenant, Field Artillery.
Ronald Montgomery Shaw to be first lieutenant, Cavalry.
Conrad Stanton Babcock to be first lieutenant, Cavalry.
Thomas Elton Smith to be first lieutenant, Field Artillery.
Alvin Truett Bowers to be first lieutenant, Coast Artillery Corps.
William Henry Bigelow to be first lieutenant, Infantry.
Lewis Ackley Riggins to be first lieutenant, Infantry.
Willard Lamborn Wright to be first lieutenant, Field Artillery.
John Frederick Gamber to be first lieutenant, Coast Artillery Corps.

Ernest Andrew Barlow to be first lieutenant, Infantry.
John Loomis Chamberlain, jr., to be first lieutenant, Field Artillery.
Frank John Hierholzer to be first lieutenant, Field Artillery.
Carl Frederick Tischbein to be first lieutenant, Coast Artillery Corps.
John Salisbury Fisher to be first lieutenant, Infantry.
Charles Pearre Cabell to be first lieutenant, Field Artillery
James Joseph Deery to be first lieutenant, Field Artillery.
Allen Ward DeWees to be first lieutenant, Coast Artillery Corps.
Archer Frank Freund to be first lieutenant, Field Artillery.
Roland Ainslee Browne to be first lieutenant, Cavalry.
Milo Howard Matteson to be first lieutenant, Cavalry.
William John Carne to be first lieutenant, Infantry.
John Stephan Henn to be first lieutenant, Coast Artillery Corps.
Henry Randolph Westphalinger to be first lieutenant, Cavalry.
Raymond Cecil Conder to be first lieutenant, Field Artillery.
Ralph Frederick Bartz to be first lieutenant, Infantry.
James Wentworth Clinton to be first lieutenant, Infantry.
Arthur Bliss to be first lieutenant, Field Artillery.
William Holmes Wood to be first lieutenant, Cavalry.
John William Black to be first lieutenant, Field Artillery.
Lucien Eugene Bolduc to be first lieutenant, Infantry.
Alfred Boyce Devereaux to be first lieutenant, Field Artillery.
Paul Maurice Seleen to be first lieutenant, Signal Corps.
Henry Ewell Strickland to be first lieutenant, Coast Artillery Corps.
Wilmer George Bennett to be first lieutenant, Field Artillery.
Arthur Charles Boll to be first lieutenant, Signal Corps.
Clifford Palmer Bradley to be first lieutenant, Air Corps.
Hubert Merrill Cole to be first lieutenant, Field Artillery.

MEDICAL CORPS

To be colonels

Howard Houghton Baily.
Paul Lamar Freeman.
Edgar William Miller.

To be majors

Leland Elder Dashiell.
George William Reyer.
Oscar Thweatt Kirksey.
Byron Johnson Peters.
Joseph Rogers Darnall.
Harold Arthur Kirkham.
Henry William Meisch.
Leland Oliver Walter Moore.
Lewis Bradley Bibb.
Arthur Wheeler Drew.
Alexander Palmer Kelly.
Francis William Gustites.
William Samuel Prout.
Walter Fleming Hamilton.
Elgen Clayton Pratt.
Frank Tenny Chamberlin.
Harry Ripley Melton.
James Martin Miller.
Howard Joseph Hutter.
Charles Vincent Hart.
Irwin Bradfield Smock.
David Loran Robeson.
Joseph Ignatius Martin.
Thomas Randolph McCarley.
Alfred Mordecai.
William Presley Dingle.
James Frank Brooke.
Lester Eastwood Beringer.
David Lloyd Stewart.
John Moorhaj Tamraz.
Joseph Aaron Mendelson.

To be captains

James Patrick Cooney.
Harvey Francis Hendrickson.
Louis Holmes Ginn, jr.
Seth Gayle, jr.
Howard Sterling McConkie.
Sam Foster Seeley.
William Draper North.
Clifford Veryl Morgan.
William Henry Lawton.
James Elmo Yarbrough.
John Daniel Brumbaugh.
Abner Zehm.
Walter Frederick Heine.
Charles McCabe Downs.
John Winchester Rich.
Thomas Brown Murphy.
Huston J. Banton.
Hervey Burson Porter.

DENTAL CORPS

To be majors

John Samuel Ross.
Elmer Henry Nicklies.
Clarence Walter Johnson.
Walter Duncan Love.
Egbert Wesley van Delden Cowan.
Arthur Edmon Brown.
Robert Clyde Craven.
Melville Alexander Sanderson.
Earl George Gebhardt.
Frank Alf Crane.
Arne Sorum.
Vivian Z. Brown.
Henry Allen Winslow.
Ernest Frank Sharp.
Clarence Roy Benney.

To be captains

Clarence Price Canby.
Roger Giles Miller.
Grant Arthur Selby.
Leland Stanford Mabry.

VETERINARY CORPS

To be first lieutenants

Charles Stunkard Greer.
John Lloyd Owens.

To be chaplain with the rank of major

Edmond Joseph Griffin.
Ora Jason Cohee.

To be chaplain with the rank of captain

Edward Robert Martin.

PROMOTIONS IN THE PHILIPPINE SCOUTS

John Willett Smith to be captain.

POSTMASTERS

ILLINOIS

Ray R. Staubus, Cissna Park.
James E. Lee, Findlay.
Gustav C. Michael, Hoyleton.
Archie A. Colby, Lee.
Oscar M. Phares, Le Roy.
Arlington B. Gittings, Lomax.
Mary Smith, North Aurora.
Jacob A. Hirsbrunner, Olivet.
George W. Martin, St. Anne.
John Gray, Urbana.

INDIANA

Harry C. Watts, Aurora.
Charles W. Bard, Crothersville.
Clyde H. Siekerman, Dillsboro.
William C. Seng, Dubois.
Claude B. Thomas, Moores Hill.
Francis W. Homan, Reynolds.
Robert P. White, Sullivan.

IOWA

Leah F. Cookinham, Ayrshire.
Tena S. Healy, Britt.
Elsie Sierck, Everly.
Raymond F. Sargent, Fonda.
Alva M. Kepler, Kalona.
Lera Hinzman, Riceville.
Charles H. Swisher, Sully.
Cora J. Jacobsen, Wilton Junction.

MASSACHUSETTS

Esther K. Whitcomb, Bolton.
Alexander F. Gray, Charles River.
Margaret Poole, Island Creek.
Edward F. Earle, Rehoboth,
Hattie M. Crowell, South Yarmouth.

MISSOURI

Laura J. England, Glenwood.
Curtis N. Houston, Grain Valley.
Henry E. Folluo, Manchester.
Raymond J. Tomlinson, Morley.
Amiel A. Weitkamp, Moscow Mills.
Lawrence L. Glover, Newark.

MONTANA

Lyman E. Ferry, Somers.
Harrison M. Sperry, Townsend.

NEBRASKA

Irving E. Tilgner, Lewellen.

OKLAHOMA

Gail E. Wing, Camargo.
George Wehrenberg, Lovell.

PENNSYLVANIA

Thomas McLeister, Philadelphia.

WASHINGTON

Charles T. LeWarne, Bellevue.
Walter M. Hubbell, Spokane.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 9, 1930

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of our fathers, accept our recognition of our low estate. Thou knowest us altogether, and yet Thou art so mindful of us. O fill our minds with the blessedness of our Heavenly Father, who is so rich in goodness, pity, and love; in gratitude turn our faces toward the heights. Work marvels in lives transfigured and in our country reborn until our whole land shall be made so new that the ragged edges of unemployment shall hurt no more. Just now we wait with pleading lips as we ask: "O Lord, what wilt Thou have us do?" O breathe a holy psalm of love and sacrifice into all breasts and, Holy Spirit, brood over us and lead us all the way. Through Christ, the Good Samaritan. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendment of the House to the bill (S. 328) entitled "An act for the relief of Edward C. Dunlap."

The message also announced that the Vice President had appointed Mr. SMOOT and Mr. SIMMONS members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

The message also announced that the Vice President had appointed Mr. NYE and Mr. PITTMAN members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of the Interior.

The message also announced that the Vice President had appointed Mr. PHIPPS and Mr. MCKELLAR members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Post Office Department.

LAURA A. DEPODESTA

Mr. IRWIN. Mr. Speaker, by direction of the Committee on Claims I ask unanimous consent to take from the Speaker's table the bill (H. R. 1759) for the relief of Laura A. DePodesta, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, after the word "death," insert "said sum to be in full settlement of all claims for damages against the Government on account of the death of her husband."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was agreed to.

DAVID M'D. SHEARER

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1825) for the relief of David McD. Shearer, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 17, strike out "will" and insert "willow."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was agreed to.

MUSCLE SHOALS

Mr. TAYLOR of Tennessee. Mr. Speaker, I would like to ask a parliamentary question. I would like to know what progress is being made by our conferees on the Muscle Shoals legislation.

The SPEAKER. The Chair does not think that is a parliamentary inquiry.

Mr. GARNER. Mr. Speaker, I want to ask a parliamentary question and I think I can bring it within parliamentary rules. The Muscle Shoals bill is in conference; does the Speaker have the power to remove the conferees and substitute other conferees or does the House have that power?

The SPEAKER. The Chair would be inclined to think that under the conditions, the Senate being entitled to the papers, the House would not have power to discharge the managers on the part of the House until they had made some report.

Mr. GARNER. Now, Mr. Speaker, in order to have the matter clearly understood, if the House had the papers, then the House would have the power, as I understand it, to discharge its conferees and recall the papers to the House of Representatives. Would the Speaker himself have the power to discharge the conferees and appoint new conferees?

The SPEAKER. After some consideration, the Chair thinks the Chair himself would not have that power.

Mr. GARNER. So now the parliamentary situation is such that the House can not take action under any conditions until the Senate takes action with respect to Muscle Shoals?

The SPEAKER. The Senate being properly in possession of the papers, the House can not take that action.

EMERGENCY CONSTRUCTION

Mr. WOOD. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 14804) making supplemental appropriations to provide for emergency construction on certain public works during the remainder of the fiscal year ending June 30, 1931, with a view to increasing employment.

The Clerk read the title of the bill.

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry. Does this require unanimous consent?

The SPEAKER. The Chair is inclined to think it does.

Mr. HOWARD. Mr. Speaker, what is it, please?

The SPEAKER. Without objection, the Clerk will again report the bill.

The Clerk again read the title of the bill.

Mr. HOWARD. Sufficiency.

Mr. STAFFORD. Mr. Speaker, may I inquire whether it is the purpose of the chairman of the committee to have this bill considered in the House as in Committee of the Whole?